

USPS Board of Directors  
Raleigh, N.C.  
16, 17 and 18 April 2015

16 April 2015  
Called to order at 0830

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 Robert C. Miller, SN  
P/C/C John T. Alter, SN

Guests present:

R/C Ellen Barbour, SN  
Mary Catherine Berube  
Tammy Brown  
Lena Padro  
SueLee Waller

**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 dissolve Alpena Power Squadron/9.
  
- 2) To replace two servers used to house and backup the USPS Website at a cost not to exceed \$6,000.

- 3) To include provisional squadrons in headquarters anniversary billing procedures, which will allow headquarters to invoice provisional squadron members for squadron dues, district assessment and national dues. The district assessment would be that assessed by the district to which the provisional squadron has been assigned for administrative purposes. The provisional squadron will remain in District 90 for recordkeeping.
- 4) To dissolve Singing River Power Squadron/15.
- 5) To provide the National Oceanic and Atmospheric Administration with 6,000 member e-mail addresses to conduct the 2015 Office of Coast Survey Satisfaction Survey.

**Action items approved:**

**Motions:**

- 1) To spend up to \$20,000 of Endowment Fund earnings to replace the carpet at headquarters.
- 2) To suspend the Chief Commander's representatives' attendance at the 2015 Fall District Conferences with the exception of conferences where there are changes of watch.
- 3) To appoint Linda Mangelsdorf, AP, staff commander of the Ship's Store Committee due to the death of Stf/C Nancy Hamilton, S.
- 4) To assign all future unattached members to the Cyber Squadron effective immediately. Current unattached members will not be affected.
- 5) To approve the USPS Position on Ethanol Mandate (E15) in Gasoline Motor Fuels (copy attached.)
- 6) To dissolve Costa de Oro Power Squadron/13.
- 7) To join the NOAA Weather Ambassador Program.
- 8) To request that the Committee on Rules amend *USPS Bylaws* Section 9.5.1 to allow districts the option of not holding a Fall District Conference or Fall District Council Meeting.

9) To request that the Governing Board amend the USPS Endowment Fund Policy (copy attached.)

**Discussions:**

- 1) SueLee Waller reported a balance of \$109,000 in the OTW Rollout – Phase III Grant as of 31 March 2015. She reported receiving an extension from the USCG through 30 Sept. 2015. To date, more than 196 training events have been held, with 1,237 individual on-water training sessions, 966 student trainings, and 271 instructor-level trainings taught. Ongoing activities include building the 2015 training schedule, marketing initiatives, and monitoring pending on-water standards for powerboats for inclusion in the curriculum.
- 2) Waller reported that the USPS Boat Handling Simulator I Grant is fully expended. The balance in the BSVT II Grant was \$70,000 as of 31 March 2015. There are 13 simulators with one reserved for headquarters’ use at national events and a second reserved for maintenance repairs, leaving a total of 11 units available for use by districts and squadrons.
- 3) Waller reported that USPS submitted five grant proposals to the USCG for the 2015 grant cycle. The first proposal is for Engaging Hispanics in Recreational Boating Education to translate the classroom and online versions of America’s Boating Course with a targeted outreach to the Hispanic population. The second proposal is for a third generation Boating Skills Virtual Trainer focusing on Hispanic outreach, youth outreach, impaired boating, personal watercraft skills training, additional units and marketing. The third proposal is for a Recreational Boating Media Library to develop boating safety and skills videos and graphics that can be used by USPS and other organizations. The fifth proposal is for Partnering and Outreach to develop memorandums of understanding and programs with USPS partners.
- 4) Waller reported that Carlin Hertz, USCG grants program coordinator, visited headquarters on 16 March 2015. He reviewed administrative procedures, participated in a BSVT demonstration, and reviewed the Practical on-the-Water Training Grant.
- 5) Mary Catherine Berube reported that \$9,266 BSVT sales commission revenue had been received to date. She discussed the procedures for recording the sales, which will be recorded in a temporarily restricted equity account.

- 6) Berube introduced Chris Foster, CSI Wealth Management, to discuss the USPS employee 403(b) annuity retirement plan. The current plan is administered through individual contracts. Mr. Foster proposed developing a group contract that would consolidate the plan assets and reduce administrative burdens and compliance oversight. The proposed plan will also give employees better access to their accounts and tools to make appropriate investment decisions.
- 7) Tammy Brown discussed the United States Power Squadrons Brand Standards Manual. She stated that the manual is a guideline to promote consistency and accuracy and to build brand strength and increase brand awareness. She encouraged districts and squadrons to follow the guidelines outlined in the manual to the best of their ability. Brown is developing a branding center on the Marketing Committee website of logos in several formats, website templates, stationery templates and approved nametags. A quick reference guide with the correct colors, fonts, and logos is also being developed.
- 8) Brown reported that she attended the 2015 IBWSS where the newly ungraded Boating Skills Virtual Trainer was displayed. USPS hosted several presentations and participated in on-the-water skills demonstrations. She announced that USPS won first-place in a Special Category – Education Boat Handling Skills without Water – only in Simulation.
- 9) Brown reported on several initiatives to promote the online Hurricanes for Boaters seminar. Digital banner ads will be included in the online version of Soundings and an aggressive direct mail campaign will be launched to boaters that have purchased new or used boats in Florida in the past five years.
- 10) Brown reported that she is working to identify, target and measure the results of the efforts to increase online educational course sales.
- 11) Brown reported that she and Mary Catherine Berube would meet with representatives from the agency selected to complete a brand assessment study to define timelines, deliverables and the scope of work.
- 12) Brown reported that USPS national and local representatives will participate in the Tall Ships Atlantic Coast 2015 journey of the Tall Ship *Hermione* in Cape Charles, Va., Philadelphia, Pa., Greenport, Ct., and Portland, Maine.

- 13) Brown reported that USPS will join the National Safe Boating Council, American Canoe Association and BoatUS in 2015 National Safe Boating Week activities.
- 14) Brown is developing magazine ads that will be published by Bonnier Publications at no cost to USPS.
- 15) Brown is working on a YouTube video to promote the San Diego Governing Board Meeting.
- 16) V/C Bob Brandenstein, SN, introduced Brandon Williams from ShareFile to discuss a secure platform for storing and sharing USPS documents.
- 17) Berube reported that headquarters customer service representatives had surveyed 37 nonrenewals out of 346 attempted calls. The main reasons stated for not renewing were no longer active in boating, advanced age, sold boat, finances and health issues. A majority of those surveyed are very happy with USPS courses and most are still in contact with their former squadron via email and newsletters. She reported that three former members renewed their membership during the survey call.
- 18) Berube reported that headquarters would begin sending permanent membership cards to renewing members in June.
- 19) Berube reviewed the 2014 Audit results with the Board. She reported that the auditors moved a capital expenditure from expenses to fixed assets and made entries to a few expenses accounts resulting in \$7,384.55 in additional revenue and \$13,544.44 in additional expenses.
- 20) V/C Bob Miller, SN, reported that 2014 sales were \$265,100 below budget, and dues were \$86,800 under budget. He noted that cost of sales was \$229,800 under budget and contributions were \$44,100 above budget. Overall net revenue was \$80,400 under budget, and expenses were \$47,200 under budget. 2014 audited figures show a loss of \$33,200.
- 21) V/C Miller reported expenses over revenues of \$9,300 through March 2015.
- 22) V/C Miller reported that the Budget Committee is working on the 2016 Budget.
- 23) V/C Miller stated that planning for a reduced stabilized membership level presents a significant challenge. He noted that spending restrictions implemented during the past several

years will not likely sustain the organization as currently structured without significantly increased revenue. He stated that the current revenue stream will not support the ongoing maintenance of USPS and its members nor the continued maintenance and development of educational products.

- 24) V/C Miller discussed the proposal to grandfather all existing members and to begin billing all future new members at a rate equivalent to the current family unit rate regardless if it is a multiple member or single member household. The Board agreed to run a trial program with selected squadrons to determine if the proposal is viable and would result in additional revenue and members.

Adjourned 1630

17 April 2015

Called to order at 0830

- 1) V/C Peter W. Mitchelson, SN, reported receiving positive feedback on the new, volunteer-created USPS Website. He reported that a new webserver and backup system is being configured with new software upgrades to allow for continued improvements.
- 2) V/C Mitchelson reported that R/C David Allen, SN, national law officer, retained a North Carolina attorney to locate and serve the professional website developer who did not fulfill the previous contract to create a new website.
- 3) V/C Mitchelson reported that Cyber member dues had not increased since 2011. The Board agreed that when national dues are increased Cyber member dues will be increased at the same rate.
- 4) V/C Mitchelson reported on a recent breach on the SailAngle mailing list, which affected approximately 1,000 members. He noted that it was caused by a nonmember joining a mail group and that the account was immediately disabled.
- 5) The Communications Committee is updating the committee's website and newsletter evaluation forms to comply with new branding recommendations.

- 6) V/C Gary Cheney, SN, reported that the Mississippi Gulf Coast Provisional Squadron had completed all requirements to become a squadron. The squadron charter will be presented during the San Diego Governing Board Meeting.
- 7) V/C Cheney reported that the Membership Committee published the 2015 first quarter MEMCOMments newsletter at [http://www.usps.org/national/membership/memcom/newsletters-articles\\_index.html](http://www.usps.org/national/membership/memcom/newsletters-articles_index.html).
- 8) V/C Cheney reported that the Affinity Marketing Agreement was renewed for a period of two years.
- 9) V/C Cheney reported that Leadership seminars are scheduled in districts 3, 16, 26, and 27 and during the San Diego Governing Board. To register for these events go to <http://www.usps.org/national/ot/>.
- 10) V/C Bob Brandenstein, SN, reported year-to-date educational sales of \$273,817, including simulator and web store sales. ABC online sales are up slightly over 2014.
- 11) V/C Brandenstein updated the Board on the District 20 Resolution on the Instructor Development course. He reported that the ID Committee is reviewing grading procedures and is now returning deficient lesson plans to students with comments prior to grading.
- 12) V/C Brandenstein reported that the Hurricane Prep for Boaters online seminar launched in April 2015. Using VHF Radio, Using GPS and How to Use a Chart online seminars are under development. To view all online seminars go to [usps.org/edonline](http://usps.org/edonline).
- 13) V/C Brandenstein reported that districts and squadrons are developing creative approaches to integrating the BSVT into traditional courses such as ABC3 and Seamanship and to provide one-on-one sessions with individual recreational boaters. Currently the lessons supported are:
  - Departing the Dock
  - Working with Spring Lines
  - Fairways
  - Pivot Turns
  - Moorings
  - Docking
  - Slalom
  - Crossing/Overtaking/Meeting
  - Emergency Stop
  - Beaching
  - Man Overboard

- Training in variable winds, strong currents, and day/night scenarios

Generation two functionality includes:

- Multi-lingual capabilities including French and Spanish
- Full 360-degree
- Navigational aids for piloting instruction
- Enhanced water physics
- Screen enhancements such as a mini-map location display, session timers (for performance assessment) and billboards/panels displaying user-input boating safety messages

14) V/C Brandenstein reported that the Educational Department is evaluating technology to produce educational materials in E-book format.

15) V/C Brandenstein reported that the Educational Department is reviewing the policy that restricts squadrons from teaching state boating courses.

16) V/C Brandenstein reported that the Educational Department will develop an ABC3 and seminar primer to distribute to boat dealers.

17) V/C Louie Ojeda, SN, reported that districts 17 and 26 are considering participating in the Operation Onboard Observer Program with the USCG Auxiliary in their areas.

18) V/C Ojeda reported that from 1 April 2014 through 31 March 2015, seven districts, 59 squadrons and 180 individuals achieved Cooperative Charting Honor Roll status.

19) V/C Ojeda reported that the San Diego Governing Board hotel contract was signed.

20) V/C Ojeda reported that the Environmental Committee contacted CPS for information on its 2014 pilot program to dispose of expired safety flares.



- 21) V/C Ojeda reported that the Marketing Committee is developing a monthly newsletter for districts and squadrons. The committee is also developing questions and training interviewers for the beta test on revitalizing selected California squadrons.
- 22) V/C Ojeda reported that District 31 is beginning the process to dissolve. Marion/29 is also in the process of dissolving.
- 23) C/C Robert A. Baldrige, SN, discussed developing a policy for districts and squadrons on email marketing. C/C Baldrige stated that he would appoint an ad hoc District and Squadron Email Outreach Committee to make recommendations on best practices, opt out provisions, security issues, collection methods, legal aspects and email marketing providers.

Adjourned 1600

18 April 2015

Called to order at 0900

- 1) C/C Baldrige reported that he received a preliminary report from the Board Advisory Committee on the District 5 resolution on adding outside directors to the Board of Directors.
- 2) The Board discussed the relevance of districts to USPS. It was noted that districts provide a community among squadrons to explore common problems and best practices. Districts also carry the message from squadrons to national meetings and in turn share information from the national organization with squadrons.
- 3) V/C Ojeda reported that the location and hotel for the 2016 Governing Board Meeting had not been determined. The Board discussed reducing the number of national meetings per year from two to one. They agreed that the National Meetings Committees should make a recommendation for a hotel site to hold the 2016 Governing Board Meeting. Concurrently, V/C Ojeda will poll district commanders on cancelling the 2016 Governing Board Meeting and discuss alternate meeting methods such as electronic meetings or holding business and educational meetings at smaller venues. These topics will also be discussed during the 2015 Governing Board Meeting in San Diego.

- 4) The chief reviewed the USPS Membership Plan to ensure that the Board is actively communicating that Membership is Job #1.
- 5) R/C Ellen Barbour, SN, asked vice commanders to review the list of departmental committee members and to provide the Committee on Nominations with a succession plan for their respective departments.

V/C Peter W. Mitchelson, SN  
National Secretary

## Position on Ethanol Mandate (E15) in Gasoline Motor Fuels

January 2015

### **Position**

The United States Power Squadrons (USPS) opposes the 50% increase in the amount of Ethanol in gasoline sold as motor fuel. USPS opposes increasing the EPA Ethanol mandate standard from E-10 to E-15. USPS urges the EPA to fully understand the harmful effects of increased concentrations of Ethanol in marine fuels before mandating their use. USPS supports regulations that encourage use of environmentally sound fuels and accommodates a vital and strong renewable fuels industry only if those regulations do not impair the marine industry or increase the risk of harm to the boating public.

### **Background**

As the largest recreational boating safety and education organization in the country, USPS is very concerned about the safe and effective operation of recreational vessels. From its' over 100 years of promoting safety and improving the recreational boaters experience, USPS has a unique perspective, having observed first-hand the transition from various methods of propulsion of its member's boats. For example, the introduction of E-10 created many documented safety problems for marine engines. Every transition has the potential to be very detrimental to the recreational boater if not properly managed.

Gasoline engines used in marine applications carry with them unique considerations for safe and effective operation: Fuel storage occurs over substantial periods of time, boats (and their fuel supplies) are in a wet, humid and often salt laden environment, and seasonality in much of the nation dictates extended off season storage. In addition, due to the configuration of most gas powered boats, the engines are operated at higher RPM and temperature, significantly more frequently. These combined circumstances are not present for other gasoline users.

### **More Analysis is Needed to Avoid Harm.**

Recognizing the unique circumstances, boat and engine manufacturers have attempted to accommodate alcohol concentrations in marine fuels, thus far with limited success and only with respect to the current E-10 concentration. Universally marine manufacturers reject the use of

greater concentrations of alcohol. Each of the unique circumstances of boat fueling are exacerbated by increasing the alcohol in gas.

Engine and fuels manufacturers are evaluating the full effects of increased alcohol in fuels and developing new products that can prospectively handle the changed fuels; however no similar remedy is available for the millions of boats and boaters who have billions of dollars invested in existing vessels which will last well into the next decade and beyond. Absent assurance that increased concentrations of Ethanol can be properly managed the Renewable Fuels Standard should not be allowed to increase. This will assure that the risk of property damage to marine users and accompanying increased safety risks do not overshadow the potential environmental benefits.

The current E-10 standard represents a phase-in of the addition of alcohol into marine fuel. The alcohol concentration in fuels must not be increased in order to allow current marine users to transition to this fuel. Alternative approaches are preferred to obtain the necessary reduction in emissions. The introduction of E-10 into marine gasoline engines caused significant harm with consequential safety implications. E-15 should not be mandated for use (directly or indirectly) in marine gasoline engines without explicit consideration of realistic alternatives.

## **Endowment (Century) Fund Rules (Revised April 2015)**

The Endowment Fund was created at the 14 November 1998 meeting of the Operating Committee and that action was ratified at the Governing Board meeting of United States Power Squadrons held in January 1999. The purpose of this Fund is to receive voluntary contributions from members and other donors that will be held permanently for the use and betterment of United States Power Squadrons. These rules shall not rescind or amend United States Power Squadrons Gifts and Bequests policy as now or hereafter promulgated by the Governing Board but shall supplement such policies. These rules are intended to ensure stability of Fund principal and provide assurances that donors' funds are held under purposes consistent with those in effect at time of donation.

The following provisions shall govern the 'Endowment Fund':

1. Except as provided in paragraphs 5, 8, and 9 and by the donor, only the income from the Fund shall be expended.
2. The National Treasurer, with the approval of the Board of Directors, if required, shall have the power to accept or reject any gift to the Fund. A permanent record of any restricted gifts to the Fund shall be made showing the name of the donor and any restrictions accepted with the gift.
3. The Fund shall be invested separately and not commingled with other assets of United States Power Squadrons.
4. The Fund shall be administered by the Finance Committee of United States Power Squadrons, which shall have the power to invest and reinvest the Fund in such assets as the Committee deems appropriate.
5. Five percent of the Fund value can be distributed each year and designated as unrestricted, distributed as directed by the Board of Directors, for special projects, grants, or as deemed appropriate by the Board. Additional Fund value may be distributed for such purposes and in such amounts as recommended by the Finance Committee or the Board of Directors and approved by the Governing Board or by a majority vote of the Board of Directors and the Chairmen of the General and Standing Committees. Value is defined as Fund market value at the beginning of United States Power Squadrons fiscal year.
6. A report of the status of the Fund and changes in Fund balances shall be made available, at least annually to the membership of United States Power Squadrons.

6. The expended income and value (“considered expended funds”) from the Fund may be used for such projects and purposes that benefit United States Power Squadrons, including its general operations. United States Power Squadrons members and Committees may apply to the Board of Directors for grants to accomplish a specific purpose. While the use of the expended funds is unrestricted, it is contemplated that uses will benefit all United States Power Squadrons members and not those of a specific Squadron or District. Further it is contemplated that the Fund will be used so as not to conflict or compete with United States Power Squadrons Educational Fund.
7. Additional Value of the Fund may be expended (in excess of that provided in paragraphs 5 and 9) to support Fund development, fund raising, and staff expenses related to Fund development as determined by the Board of Directors.
8. In the event of dire financial circumstances and the inability of United States Power Squadrons to meet its operating budget, upon request of the Board of Directors or The Finance Committee and the approval of the Governing Board, a withdrawal of principal shall be permitted so long as such withdrawal does not exceed ten percent of the principal of the Fund, in any fiscal year, valued as of the beginning of the fiscal year. Upon approval of use of the Fund principal, a plan for repayment of the withdrawn amount shall be jointly approved by the Board and the Finance Committee of United States Power Squadrons.
9. The fiscal year of the Fund shall be that of United States Power Squadrons. Generally accepted principles of Fund accounting shall apply to the Fund’s activities.
10. Except as provided herein, the Fund shall be invested and the income determined according to the Uniform Management of Institutional Funds Act of North Carolina.