The Operating Committee of United States Power Squadrons met on 4 - 7 Jan. 2006 at the Rosen Centre, Orlando, Fla.

Members present:

C/C G. Leslie Johnson, SN  R/C Gerald Grofman, SN
V/C Ernest G. Marshburn, SN  R/C James D. Richlak, SN
V/C Spencer P. Anderson, SN  R/C Joseph R. Mesenburg, SN
V/C Creighton C. Maynard Jr., SN  R/C Alan F. Wentworth, SN
V/C Robert A. Baldrige, SN  R/C Darrell G. Allison, AP
V/C John T. Alter, SN  R/C James C. Acheson, SN
P/C/C Theodore H. Smith, SN

Guests present:

P/C/C Raymond A. Finley Jr., SN  P/V/C Frank A. Dvorak, SN
P/C/C Joseph L. Kennedy, SN  R/C Richard E. Kyle, SN
P/C/C Gillette E. Gordon, SN  Stf/C Shirley Van Rhee, JN
P/C/C L. M. Barnes III, SN  Stf/C Michael J. Horowitz, JN
P/C/C Lance J. Jensen, SN  Stf/C Al Lakin, SN
Mary Catherine Berube

Report of the Chief Commander

C/C G. Leslie Johnson, SN, called the meeting to order at 0820, and P/C/C Theodore H. Smith, SN, gave the invocation.

C/C Johnson entertained a motion to approve the list of 2006 honorary members: Robert Burkhardt, Ed Carter, Virgil Chambers, Rich DeSimone, Pam Dillon, Kenneth Forster, Capt.

The chief reported that he would sign an annex to a memorandum of understanding with the U.S. Army Corps of Engineers and an MOU with the U.S. Coast Guard Auxiliary and Maptech during the 2006 Annual Meeting.

He thanked the following members who were retiring from their offices and presented them with outgoing officer flags: V/C Ernie G. Marshburn, SN, national executive officer; R/C James C. Acheson, SN, chairman, Committee on Rules; R/C Gerald Grofman, SN, chairman, Committee on Nominations; and R/C Joseph R. Mesenburg, SN, chairman, Finance Committee.

Report of the National Executive Officer

V/C Ernest G. Marshburn, SN, reported that all committees within the Executive Department finished the 2005 fiscal year under budget.

V/C Marshburn reported that the new Executive Department website was online at www.usps.org/national/executive/execdept.

V/C Marshburn also reported that the USPS Position Statement Regarding the National Weather Service concerning privatizing weather information would be presented for approval to the 2006 Annual Meeting delegates.

The national executive officer reported that Upper Keys Provisional Squadron had disbanded and its assets were transferred to Marathon/8. The OCom ADOPTED a motion to dissolve Upper Keys Provisional Squadron. (2006-OC-2)

V/C Marshburn reported that the District 4 and District 5 resolutions concerning open enrollment for elective courses would be presented to the 2006 Annual Meeting delegates. He reported that at its November 2005 meeting, the OCom voted to recommend that the Governing Board vote against these resolutions. The rationale was that the Educational Department was offering better alternatives, such as short, topical seminars that will allow squadrons to introduce
the public to USPS courses, recruit members and generate revenue.

The Cooperative Charting Committee reported that effective 1 April 2006, new software developed by the National Oceanic and Atmospheric Administration will allow USPS members to continue submitting Cooperative Charting data online to the National Geodetic Service.

The National Meetings Committee reported that it would be selecting meeting sites for 2009 and 2010 and encouraged districts to contact the chairman about potential sites.

The Recreational Boating Safety Committee reported that the National Safe Boating Week evaluation form will be available online at www.SafeBoatingCouncil.com from early to late August 2006.

The Squadron Development Committee reported that in 2005 committee members had visited potential provisional squadron locations in Texas, Nevada, Idaho, Pennsylvania, Arizona and Missouri.

The Vessel Safety Check Committee reported that the online reporting system to enter vessel safety inspection data is available at usps.orgVSC by selecting the “click for online data submittal form” link. The online reporting system will reduce workload and free up storage space at headquarters, and reduce postage costs to districts and squadrons.

The external grant funding team reported that South Shore/3 requested assistance with submitting a grant request to BoatU.S. Foundation and Cape Cod Sail/14 requested assistance with submitting a grant request to the USCG Office of Boating Safety.

Report of the National Educational Officer

V/C Spencer P. Anderson, SN, reported that there were fewer than 250 copies of the USPS Boating Course video in inventory. He stated that the video is no longer approved by the National Association of State Boating Law Administrators. V/C Anderson made a motion to destroy the remaining inventory of the USPS Boating Course video. The OCom ADOPTED the motion. (2006-OC-3)
V/C Anderson announced the completion of the Instructor Recertification Seminar, which focuses on using new technologies and techniques to teach adults. He noted that an instructor recertification seminar would be held during the 2006 Annual Meeting.

All OCom members agreed to discuss alternative educational requirements with the membership to solicit consensus for a change. It was agreed that if alternative educational requirements were approved by OCom, the Committee on Rules would prepare appropriate wording and include the proposed change in the Notice to the 2006 New York Governing Board.

V/C Anderson invited R/C Dick Kyle, SN, to discuss the print-on-demand process. R/C Kyle said that print on demand uses the latest printing technology and could eliminate the need to maintain large, costly inventories at headquarters. It was agreed that the Educational Department should seek additional information and report back to OCom.

R/C Kyle presented a proposed Boat Operator Certification Program for consideration. This program would create four certification levels, establish seminars and mini-courses to supplement current educational courses, and include a demonstration of boating skills. The OCom ADOPTED a motion endorsing an Educational Department proposal to develop a Boat Operator Certification Program. (2006-OC-4)

V/C Anderson reported that the Educational Department proposed an online version of the Seamanship course. The OCom ADOPTED a motion authorizing the NEO to negotiate a contract to produce an online version of the Seamanship course. (2006-OC-5)

**Report of the Administrative Officer**

V/C Creighton C. Maynard Jr., SN, reported that there are 1,020 members in 31 auxiliaries.

V/C Maynard reported that representatives from the American Radio Relay League met at USPS headquarters in November 2005 to focus on the September 2005 memorandum of understanding. The Squadron Activities Committee reported that a Ham Radio Net special event station is scheduled for 2 - 3 June 2006 at ARRL facilities in Newington, Conn.
The Membership Committee will distribute a recruiting and member orientation CD-ROM to each district commander.

V/C Maynard reported on the Power of One Program, which began on 1 Oct. 2003. Since that date, 1,932 members influenced one or more members to join; 229 members influenced at least 5 new members to join; 68 members influenced at least 10 new members to join, and 30 members influenced 15 or more members to join.

The Member Benefits Committee encouraged members to take advantage of the USPS benefits listed on the committee’s website at www.usps.org/national/admin_dept/membenefits.htm.

Please refer to the seat packet report of the Administrative Department for a more complete report of all committees.

Report of the National Secretary

V/C Robert A. Baldridge, SN, reported that headquarters and THE ENSIGN have been working hard to reduce expenses, resulting in $38,000 savings in 2005 and $80,000 additional savings in 2006. He reported that headquarters and THE ENSIGN were $48,000 under budget for 2005 and $35,000 under 2004 expenditures.

V/C Baldridge reported that the contents of the seat packets for the 2006 Annual Meeting were posted at www.usps.org/national/natsec/SeatPacket.htm.

V/C Baldridge reported that the financial corporate resolution needed to be updated. The OCom ADOPTED a motion to update the names on a corporate resolution specifying who is allowed to sign USPS financial instruments. (2006-OC-6)

The national secretary reported that the Planning Committee will study an alternative dues structure for family units. Single, or primary members, would pay one price. Primary members with families would pay 50 percent more, with all family members residing in the primary member’s residence being eligible for membership.

THE ENSIGN Committee continues to work on providing articles written in Spanish for
The national secretary reported that the USPS web server recently reached 87 percent of capacity. The Information Technology Committee removed files to temporarily increase disk space. V/C Baldridge noted that future projects would require additional server space. The OCom ADOPTED a motion to authorize the Information Technology Committee to spend up to $3,000 per year to acquire additional server space. (2006-OC-7) The cost of adding server space will be allocated to departmental and committee budgets based on usage.

ITCom supports three mail lists including the help desk at help@usps.org, the computer problems help desk at comphelp@usps.org and the website help desk at website_help@usps.org.

The Ship’s Store Committee is working with THE ENSIGN staff to produce a Ship’s Store catalog in the March 2006 issue of THE ENSIGN.

The Historian’s Committee processed more than 380 district and squadron histories in 2005.

V/C Baldridge reported that he is working with headquarters and THE ENSIGN staff on two proposals from the ad hoc Restructuring Committee to reduce costs. The first proposal is to allow squadrons to input new member application data electronically, reducing the time required at headquarters to process new members. The second proposal is to reduce the number of issues of THE ENSIGN to six per year while adding an e-zine that will supplement fewer printed issues and provide an additional forum for national committees to communicate with members. V/C Baldridge presented an overall plan and a roadmap to decision for each proposal and will report estimated costs and actual savings for an ultimate decision at the March 2006 OCom Meeting.

Report of the National Treasurer

V/C John T. Alter, SN, reported that the budget continues to be a major challenge in USPS’ financial picture. Total revenues decreased by $112,184 from 2004 and were $249,170 below the budget estimate in 2005. Dues and fees were down $124,836 and net educational sales were down $11,099. He also noted two accounting changes in 2005, which included moving the ABC joint venture revenue into a separate line item and moving contributions to the Endowment/Century Fund to the non-operating revenue portion of the statement of revenues and expenses. He reported that investment income was
strong, and that Ship’s Store sales, although falling just below budget expectations, showed a marked improvement over the previous year.

V/C Alter reported that total operating expenses in 2005 were $23,136 less than one year ago. He said that total expenses exceeded the budgeted amount by $9,253, or less than one-half percent. He reported that operating expenses exceeded operating revenues by $258,383. He noted that the 2006 budget includes expense reductions of about $70,000 due to the elimination of one national meeting. He indicated that the modest dues increase could add $70,000 to revenue if renewals are better than the past several years.

V/C Alter reported that he had anticipated implementing the new revenue sharing program for the Chase Bank affinity credit card program in January 2006. However, Chase Bank recently notified him that they were not ready to provide the data. These issues should be resolved by the end of the first quarter.

V/C Alter reported that he would recommend that the delegates to the 2006 Annual Meeting authorize the Committee on Rules to amend the bylaws to permanently authorize headquarters anniversary billing as an optional method of dues collection.

**Report of the Finance Committee**

R/C Joseph R. Mesenburg, SN, reported that the value of the USPS portfolio as of 30 Nov. 2005 was $1,050,890.26, with a total investment return of $115,432.29, or 12.34 percent.

R/C Mesenburg reported that the balance in the Endowment Fund as of 30 Nov. 2005 was $833,855.05. He noted that about $170,000 was invested in an equity index mutual fund; $300,000 was invested in certificates of deposit with a 4.14 percent average rate of return; and the balance was invested in a money market fund with a 3.7 percent average interest rate.

R/C Mesenburg reported that as of 30 Nov. 2005, district and squadron funds were valued at $1,028,770. These funds are invested in certificates of deposits with a 4.09 average interest rate.

R/C Mesenburg reported that the Finance Committee works with the national treasurer and the Budget Committee and monitors the general financial operations of USPS relative to the budget. He
noted the following revenue variances for the fiscal year ending 30 Nov. 2005:

1) dues and fees revenue were $68,954 less than budgeted ($1,199,203 vs. $1,268,157);
2) net educational sales were $61,648 less than budgeted ($342,785 vs. $404,433);
3) other revenue was about $40,660 less than budgeted ($92,485 vs. $133,145);
4) THE ENSIGN advertising and subscriptions were $20,378 less than budgeted ($70,422 vs. $90,800); and
5) grant income was $70,000 less than budgeted ($0 vs. $70,000).

He noted the following variances in expenditures:

1) the Membership Committee was $27,463 over budget ($39,973 vs. $12,510), due to Power of One awards, and
2) the Governing Board was approximately $38,270 over budget ($98,970 vs. $60,700).

He noted no positive variances on the revenue side and noted the following positive variances on the expense side:

1) the Executive Department was $3,539 under budget;
2) the Treasurer’s Department was $1,482 under budget;
3) the Secretary’s Department was $913 under budget;
4) the general and standing committees were $15,118 under budget;
5) THE ENSIGN magazine was $35,289 under budget; and
6) headquarters was $12,727 under budget

Report of the Committee on Rules

R/C James C. Acheson, SN, reported that he would propose that the annual meeting approve a complete update to the USPS Bylaws. He reported that most of the changes were housekeeping and the rationale for changes were posted on the committee’s website at www.usps.org/national/rules/National_meetings.html#Rationale.

R/C Acheson reported that Lake Mohave Provisional Squadron is working toward receiving its charter.

- 8 - OCom 4 Jan. 2006
Report of the Committee on Nominations

R/C Jerry Grofman, SN, reported that the Committee on Nominations would present a full slate of nominees to the 2006 Annual Meeting delegates.

Report of the National Law Officer

R/C James D. Richlak, SN, reported that a member insured under the St. Paul Boat Insurance Program has named USPS as one of the defendants in a lawsuit involving a boat insurance claim. He reported that St. Paul conducted an investigation to determine if there was coverage under the general USPS insurance policy and determined that there was no coverage. R/C Richlak reported that St. Paul Travelers Inc., subsequently agreed to afford USPS with a courtesy defense.

R/C Richlak reported that LawCom had completed its review of the MOU with Maptech and found it acceptable.

The national law officer reported that the Sea Vester design was published in the Trademark Official Gazette and no opposition was raised. He anticipated that the Sea Vester design service mark would be issued in the next few months. WaterSmart from the Start was also published in the Trademark Official Gazette, and no opposition was raised. R/C Richlak stated that LawCom must file a statement of use showing use of the mark before the application can proceed to registration.

R/C Richlak reported that LawCom has reviewed and offered suggestions concerning a proposal to produce the USPS Governing Board Live Project, which will be funded by an Educational Fund grant.

Report of the Marketing and Public Relations Committee

R/C Darrell G. Allison, AP, reported on the marketing campaign encouraging squadrons to teach a safe boating course during National Safe Boating Week, 20 - 26 May 2006. Squadrons can download supporting documentation at www.usps.org/NSBW.

R/C Allison reported that the Marketing and Public Relations Committee sent public service announcements to more than 80 national boating publications and 250 radio stations.
R/C Allison reported receiving 270 requests for Cooperative Advertising funds in 2005, resulting in $35,000 paid to districts and squadrons.

He reported that the Test Your Boating Knowledge quiz has been redesigned to make room for local squadron information and will be posted on the committee’s website.

R/C Allison reported that the National Marine Manufacturers Association will submit a guest editorial focusing on its Grow Boating initiative to be published in THE ENSIGN.

R/C Allison reported that the committee is testing a project with Trailer Boats magazine that focuses on road safety and the condition of boat trailers.

R/C Allison reported that the deadline to submit entries for the Chapman, Upton or Mahnken Public Relations awards has been moved to 1 May. The 2006 Public Relations awards will be presented at the New York Governing Board in August 2006.

Report of the Planning Committee

R/C Alan F. Wentworth, SN, reported that he would present the 2006 Annual Meeting delegates with proposed revisions to the USPS Strategic Plan goals of membership and education as well as the added goal of financial stability.

R/C Wentworth reported that the Planning Committee will finalize its conclusions and recommendations statements that were derived from its recently completed surveys of long-term members and former members. Summaries of the results of the study will be sent to OCom members and will be available on the committee’s website.

The OCom ADOPTED a motion authorizing the Planning Committee to distribute copies of the Planning Committee CD-ROM at the committee’s 2006 Expo booth. (2006-OC-8)

Report of the Past Chief Commanders

P/C/C Theodore H. Smith, SN, reported on his attendance at the BoatU.S. Advisory Council

P/C/C Smith will contact West Marine concerning a potential member benefit whereby West Marine would provide discount coupons to USPS members.

P/C/C Joseph L. Kennedy, SN, reported that he represents USPS on the Florida Fishing and Wildlife Commission.

C/C Johnson adjourned the meeting at 1530.

V/C Robert A. Baldridge, SN
National Secretary
1. A motion approving a list of honorary memberships for 2006. (2006-OC-1)

2. A motion dissolving the Upper Keys Provisional Squadron. (2006-OC-2)

3. A motion to destroy the remaining inventory of the USPS Boating Course video. (2006-OC-3)

4. A motion endorsing an Educational Department proposal to develop a Boat Operator Certification Program. (2006-OC-4)

5. A motion authorizing the NEO to negotiate a contract to produce an online version of the Seamanship course. (2006-OC-5)

6. A motion updating the names on a corporate resolution specify who is allowed to sign USPS financial instruments. (2006-OC-6)

7. A motion authorizing the Information Technology Committee to spend up to $3,000 to acquire additional server space. (2006-OC-7)

8. A motion authorizing the Planning Committee to distribute copies of the Planning Committee CD-ROM at the committee’s 2006 Expo booth. (2006-OC-8)