
Members present:

C/C Ernest G. Marshburn, SN  R/C Shirley Y. Van Rhee, JN
V/C Creighton C. Maynard Jr., SN  R/C James D. Richlak, SN
   V/C Dick Kyle, SN  R/C Michael J. Horowitz, JN
   V/C Frank A. Dvorak, SN  R/C Alan F. Wentworth, SN
   V/C Robert A. Baldridge, SN  R/C Darrell G. Allison, AP
   V/C Joseph R. Mesenburg, SN  R/C Allan W. Lakin, SN
   P/C/C G. Leslie Johnson, SN

Guests present:

P/C/C Dick Miner, SN  Stf/C Anthony J. Aquilato, AP
P/C/C Joseph L. Kennedy, SN  Stf/C Robert A. Green, N
P/C/C Gillette E. Gordon, SN  Stf/C Noel McKeown, SN
P/C/C L.M. Barnes III, SN  Stf/C William M. Bellinger, SN
P/C/C Lance J. Jensen, SN
P/C/C Theodore H. Smith, SN
Report of the Chief Commander

C/C G. Ernie Marshburn, SN, called the meeting to order at 0815, and P/C/C G. Leslie Johnson, SN, gave the invocation.

After a motion by C/C Marshburn the OCom ADOPTED the minutes of the 9 Dec. 2006 OCom meeting. (2007-OC-1)

C/C Marshburn reported that the Operating Committee used electronic means between OCom meetings to approve 1) a memorandum of understanding between USPS, the Federal Communications Commission and the United States Coast Guard, 2) a memorandum of understanding with the International Order of the Blue Gavel, 3) a memorandum of understanding with the Marine Retailers Association of America, and 4) to renew the memorandum of agreement with the National Oceanic and Atmospheric Administration. The OCom ADOPTED a motion ratifying these actions. (2007-OC-2)


C/C Marshburn discussed potential funding sources for a headquarters marketing department. V/C Robert A. Baldridge, SN, reported that the OCom asked him to develop a plan for a headquarters marketing department. He said that creating a headquarters marketing department will shift much of the work from the volunteer to the professional side. The HMD will be under headquarters, and will report to the headquarters director and will work closely with the national Marketing and Public Relations Committee. The HMD will promote and develop contributions to the USPS Educational, Century and general funds; the USPS brand

- 2 - OCom 20-24 Feb. 2007
through public relations, Web optimization, article placement and advertising; member sales; sales of USPS courses, seminars and other products to the public; outside vendor and partner participation at national meetings; member recruitment and retention strategies and materials; and products and programs that support district and squadron marketing efforts. C/C Marshburn stated that he and V/C Baldridge would pursue funding for the HMD.

C/C Marshburn said that moving forward will require USPS to think differently than it has in the past. He said that in some respects USPS has operated in a casual fashion that has been effective but not necessarily consistent with modern times. He said that a streamlined leadership is necessary for an effective, efficient USPS that can compete with other nonprofits and boating organizations. The chief said the ad hoc Restructuring Committee proposed alternatives to creating a better USPS governance structure. After consideration, the Planning Committee presented a proposed restructure to the organization. Following discussion, the OCom ADOPTED a motion accepting the current proposal for USPS Governance. (2007-OC-4)

C/C Marshburn reported that a PowerPoint presentation outlining the organizational restructuring proposal would be shared with the district and squadron officers attending the 2007 Annual Meeting and at 2007 spring district conferences. The chief stated that the plan is to ask the Governing Board to approve the proposal at the 2007 Governing Board Meeting in Norfolk, Va.

C/C Marshburn entertained a motion to allocate up to $750 from Century Fund earnings to offset travel expenses for Karen Kimmel, a special guest speaker at the 2007 Annual Meeting. The OCom ADOPTED the motion. (2007-OC-5)

C/C Marshburn reported that the Bridge met with the Canadian Power & Sail Squadrons’ Bridge during the Annual Meeting. The OCom ADOPTED a motion to move forward with an agreement with the Canadian Power and Sail Squadrons to improve the efficiency, productivity and public awareness of each organization’s educational services. (2007-OC-6)
Report of the National Executive Officer

V/C Creighton C. Maynard Jr., SN, reported that he would ask the Governing Board to dissolve Long Valley/4, Saddle River/4, Hagerstown Sail/5, Ashtabula/11, Santana/13, Little Rock Sail/31 and River Valley Sail/31.

V/C Maynard reported receiving a resolution from District 11 that reads as follows:

*Resolved, that USPS Piloting and Advanced Piloting Courses (and) Chart Labeling always be in True Degrees.*

V/C Maynard reported that he would recommend that the Governing Board assign the District 11 resolution to the Educational Department at the 2007 Annual Meeting.

VC Maynard reported that the Squadron Development Committee recommended terminating Northern Arizona Provisional Squadron and North Texas Lakes Provisional Squadron due to lack of interest and activity. The national executive officer recommended and the OCom APPROVED a motion to terminate Northern Arizona Provisional Squadron and North Texas Lakes Provisional Squadron. (2007-OC-7)

The national executive officer reported that he received a request for provisional squadron status from a group in the greater Williamsburg, Jamestown and Yorktown, Va. communities. The OCom ADOPTED a motion to grant provisional squadron status to Colonial Provisional Squadron and assign it to District 5 for administrative purposes. (2007-OC-8)

V/C Maynard reported receiving a request to reassign Clinton Sail and Power Squadron from District 30 to District 20. The OCom ADOPTED a motion recommending that the Governing Board reassign Clinton Sail and Power Squadron from District 30 to District 20. (2007-OC-9)
The national executive officer reported that the National Meetings Committee proposed signing a two-year contract with Disney’s Coronado Springs Resort for the 2010 and 2011 annual meetings. The OCom ADOPTED a motion to recommend that the Governing Board approve holding an Annual Meeting at Disney’s Coronado Springs Resort from 30 Jan. 2010 to 7 Feb. 2010, at a rate of $146 per day and from 29 Jan. 2011 to 6 Feb. 2011, at a rate of $150 per day. (2007-OC-10)

The Government and Partner Relations Committee reported that C/C Marshburn would sign a memorandum of understanding with the Marine Retailers Association of America during the 2007 Annual Meeting.

The Recreational Boating Safety Committee is evaluating the 2006 Squadron Safety Officers’ reports to determine the district honor roll.

V/C Maynard reminded OCom that USPS would discontinue the geodetic Cooperative Charting program effective April 2007. The Cooperative Charting Committee is developing a program with the United States Army Corps of Engineers that would verify electronic navigation charts. The committee is also working with Maptech on a Web-based “Boating Guide to America,” which will be free to the public. Maptech will provide the software and Web support, and USPS will provide content.

The Environmental Committee reported adding a link from the committee’s website to the BoatU.S. Foundation 2007 Cleanwater Grant Program.

**Report of the National Educational Officer**

V/C Dick Kyle, SN, reported that the new Seamanship course will be available at headquarters in early March 2007. The online version, which is being developed with the University of West Florida, should be available in spring 2007.
V/C Kyle reported that the new Junior Navigation course will be available at headquarters in April 2007.

The national educational officer reported that Boat Smart inventory will be depleted in early March 2007. The Squadron Boating Course will then replace Boat Smart and will include a PowerPoint and instructor syllabus for teaching the 8- or 12-hour course.

V/C Kyle reported that R/C Bob Sweet, SN, gave a USPS University presentation during a recent Boating Safety Advisory Council meeting. R/C Sweet reported that he received positive reactions and that several attendees showed an interest in partnering with USPS.

The national educational officer reported on a meeting with U.S. Sailing. USPS and U.S. Sailing are working on a reciprocal agreement to recognize on-the-water certification for their members.

V/C Kyle encouraged squadrons to teach safe boating courses during the 2007 National Safe Boating Week, 19-25 May. V/C Kyle suggested that squadrons continue teaching classes in June to avoid conflicts with the Memorial Day holiday.

The national educational officer reported that USPS submitted a proposed MOU to the FCC and the USCG in which USPS would become an issuing agency for MMSI numbers.

Report of the National Administrative Officer

V/C Frank A. Dvorak, SN, reported that the Auxiliary Advisory Committee is planning to honor the first women to earn life membership.

The Leadership Development Committee posted a 15-month national calendar for
districts and squadrons at www.usps.org/national/ot.

V/C Dvorak reported that Bridge members would meet with senior management of The St. Paul Travelers Insurance companies during the Annual Meeting to discuss the USPS Boat Insurance program.

The Member Benefits Committee and the CPS are reviewing member benefits. The goal is to determine if there are programs available that would benefit members of both organizations.

V/C Dvorak reported that the Membership Committee proposed continuing the Power of One Program through September 2008. The goal is to recruit and mentor new members on a one-on-one basis and to encourage members to take courses and become involved in squadron activities. The OCom ADOPTED a motion to continue the Power of One Program through September 2008. (2007-OC-11)

The Squadron Activities Committee continues to support online resources, including the Port Captain’s Directory, Cruise & Rendezvous listings, the Amateur Radio Directory, the educational cruise guide, the Speaker’s Bureau, and links to district and squadron activities.

V/C Dvorak reported that a Century Fund fundraising campaign proposal from the Vantage Group of Boston was rejected following a review by the Law Committee. He reported a balance of $974,337 in the Century Fund as of 31 Jan. 2007.

Report of the National Secretary

V/C Robert A. Baldridge, SN, reported that 330 squadrons or 74 percent will participate in headquarters anniversary billing beginning 1 June 2007.

V/C Baldridge reported that 1,627 or 12 percent of 2006 merit marks were submitted
electronically. He reported that survey results indicated that 97 percent of those who submitted electronic merit marks said the system was an improvement. He said that enhancements will be made and that beginning in 2007 all districts and squadrons would be able to submit merit marks electronically. He reported that District 8 is testing a Web-based new-member data entry program, which will be open to all squadrons following the 2007 Annual Meeting.

He reported on a new weblog at uspsmember.usps-news@blogger.com where committees can post news. Weekly website hits are up to 8,000, with the most hits on navigation sites at 39 percent and on education sites at 18 percent.

The national secretary reported that the newly designed THE ENSIGN was launched in January 2007. The Compass, the new electronic magazine, was also launched in January. Articles should be submitted to ensign@hq.usps.org. C/C Marshburn entertained a motion to send a letter of commendation to THE ENSIGN staff on the redesign of THE ENSIGN magazine. The OCom ADOPTED the motion. (2007-OC-12)

V/C Baldridge discussed the new family unit dues structure approved at the August 2006 Governing Board. He said that although most households will see no change in their dues, some will see a slight increase, most notably those with only one active and one family member. Following discussion, the OCom ADOPTED a motion to send a letter from the chief and a coupon for $10 off any purchase at headquarters to family units that will see a dues increase. (2007-OC-13)

The national secretary reported on a housekeeping item. He stated that at its August 2006 meeting, the USPS Governing Board approved a simpler entrance fee structure that would be easy to present and administer, provide incentives for becoming an additional member, and cover the costs associated with new-member processing. He noted a typographical error in the motion as approved which says, “.... who become additional active members ...” The correct
wording should be “... who become members ...” R/C Horowitz will present a revised motion to the Governing Board as follows:

The establishment of one entrance fee for active membership, that this fee be paid by the primary active member, that this fee be twenty five dollars ($25), and that this fee shall also satisfy the entrance fee(s) of all qualified individuals of the household who become members, so long as the primary active member remains a member in good standing.

V/C Baldridge stated that members must pay a $10 fee to change their status. He said the new family unit dues initiative provides an incentive for family members to become active members and that the status change fee could be a disincentive. He proposed requesting the Annual Meeting suspend the status change fee. The OCom ADOPTED a motion to request that the Annual Meeting to suspend the $10 status change fee from 1 June 2007 to 31 May 2009. (2007-OC-14)

The Information Technology Committee revised the instructions on electronic merit marks and developed a PowerPoint presentation.

The new Ship’s Store website URL is www.shopusps.org. A new program that began in January 2007 gives a 2.5 percent rebate to districts and a 2.5 percent rebate to squadrons when a member orders by phone or on the Internet.

The Publications Committee reported that the new Editor’s Handbook will contain information on trademarks, bulk mail and electronic data transmission.

The Historians Committee reviewed 479 district and squadron historical documents in 2006. New district and squadron history reports are available on the committee’s website at www.usps.org/national/historian.
Report of the National Treasurer

V/C Joseph R. Mesenburg, SN, reported that net operating revenues over expenses for the year ended 30 Nov. 2006 were $58,355. He reported that 2006 operating revenues were down $48,233 from 2005, including dues and fees revenue, which was down $29,645. Operating expenses in 2006 were $315,864 less than in 2005. Headquarters net expenses were down $80,936, and THE ENSIGN expenses were down $74,452. All departmental, committee and governing board expenses were $218,272 less than in 2005.

V/C Mesenburg stated that both fixed expenses and the overall operating expenditures continue to increase, while membership numbers continue to decrease. He said that the budget cannot be balanced by continually cutting member services, headquarters’ employee benefits and numerous other required expenditures without suffering irreversible damage. He said that USPS cannot operate effectively on revenue from dues, fees and educational sales alone and noted several initiatives that will directly enhance the revenue base.

He stated that the USPS E-Commerce initiative will provide a venue for members to sell, auction, advertise, blog, write informational guides and ask questions. He said that the main objective is to increase membership and generate revenue. He reported that the Law Committee retained Peter Igel of Calfee, Halter & Griswold LLP to form the corporate structure for the E-Commerce initiative.

V/C Mesenburg noted that the Endowment Fund is another revenue stream. He reported that as of 30 Nov. 2006 the balance in the Endowment Fund was $987,238, including $66,697 of unrestricted funds that can be used to offset expenses and fund initiatives.

The national treasurer reminded members that the Chase Bank affinity credit card program generates revenue for national, districts and squadrons. USPS receives $75 for every new approved and used account, of which national retains 45 percent, districts receive 5 percent.
V/C Mesenburg reported that national earned approximately $26,000 from the Chase Bank affinity credit card program in 2006.

V/C Mesenburg encouraged all districts and squadrons to join headquarters anniversary billing. He reported that 32 districts and 330 squadrons are participating. He said that feedback from districts and squadrons was positive.

The national treasurer reported that he is working with the Law Committee regarding liability insurance for on-the-water training and Boat Operator Certification.

V/C Mesenburg reported that 2006 net operating profits for the America’s Boating Course joint venture with the U.S. Coast Guard Auxiliary were $127,068, of which $63,534 belongs to USPS. He reported that ABC made distributions totaling $50,000 to USPS in 2006.

**Report of the Finance Committee**

R/C Michael J. Horowitz, JN, reported on the 2006 budget variances. He reported that the chief commander was under budget by $34,870, the Executive Department was under budget by $3,523, the Educational Department was under budget by $7,642, the Treasurer’s Department was under budget by $5,362, the Secretary’s Department was under budget by $11,210, and the General and Standing committees were under budget by $12,474. The Administrative Department, the Operating Committee, the Governing Board and the ad hoc Restructuring Committee were collectively over budget by $49,404. THE ENSIGN and headquarters expenses were $206,143 under budget. 2006 Cooperative Advertising expenses were over budget by $268. He reported that total operating expenses were under budget by $172,181 in 2006.

R/C Horowitz noted a cost savings of $24,000 by suspending reimbursement to the chief commander’s representatives to the 2006 fall district conferences.
He announced that the Finance Committee website at www.usps.org/national/fincom contains information on the Endowment Fund, the Investment Policy, district and squadron investments, and links to financial resources.

R/C Horowitz proposed creating a separate trust for district and squadron invested funds and requested that the Law Committee study the proposal.

R/C Horowitz reported that as of 30 Nov. 2006 USPS investments totaled $964,918, the Endowment Fund totaled $960,855, and the district and squadron funds totaled $1,030,062.

**Report of the Committee on Nominations**

R/C Shirley Van Rhee, JN, reported that the slate of candidates for 2007 was complete and would be presented to the delegates to the Annual Meeting.

**Report of the Committee on Rules**

R/C Allan W. Lakin, SN, reported that he would ask the Governing Board to amend USPS Bylaws 5.3.1a to clarify the authority of the Operating Committee related to financial matters.

R/C Lakin reported that he received a request from a squadron wanting to change its geographical name. He moved OCom concurrence recommending that the Governing Board approve renaming Evanston Sail & Power Squadron to Evanston North Shore Sail & Power Squadron, and that such name change take effect upon approval of squadron bylaws by the Committee on Rules. The OCom ADOPTED the motion. (2007-OC-15)
Report of the National Law Officer

R/C James D. Richlak, SN, reported that USPS is a beneficiary of the Schultz-Cardoza Trust. He reported that USPS has a 7.5269 percent interest in the trust assets. The trust assets totaled $2,081,446.64 as of 21 Nov. 2006. USPS was advised on 27 Nov. 2006 that the trust was ready to be terminated. Subsequently, LawCom prepared and forwarded to the trustees the necessary documents for USPS to receive its distributive share of the trust, less applicable costs and expenses.

The OCom ADOPTED a motion allocating funds from the Schultz-Cardoza Trust as follows: $30,000 to the Century Fund, $40,000 to the headquarters marketing department and the balance invested in unrestricted funds. (2007-OC-16)

R/C Richlak reported on the need to file a trademark application for USPS University in Canada or any other foreign country corresponding to the United States application. He said that foreign applications must be filed before 26 April 2007 to take advantage of the provisions of the International Convention. He reported that the cost of filing a foreign application is usually in the range of $1,000 to $3,000. The OCom ADOPTED a motion to register USPS University in Canada at a cost not to exceed $3,000. (2007-OC-17)

LawCom reviewed proposed memorandums of understanding with the Marine Retailers Association of America, the FCC and the USCG, the National Ocean Service, the International Order of the Blue Gavel and Citizens Corp.

R/C Richlak reported that LawCom drafted a Drug-Free Workplace Policy and a Drug-Free Awareness program for USPS employees.

The national law officer reported that LawCom would review a Record Retention Policy originally drafted in 2004.
R/C Richlak reported on new IRS reporting rules. He stated that exempt organizations with gross receipts of $25,000 or less are not required to file Form 990 or 990-EZ. He said that the purpose of this exemption is to avoid imposing an administrative burden on small exempt organizations. He noted that for tax years beginning after 2006, the Pension Protection Act of 2006 requires organizations exempt from filing an annual return under the gross receipts test to file an annual electronic notice with the IRS. Accordingly, a district or squadron will be required to provide its legal name, assumed or “doing business as” name, the mailing address, website address, taxpayer identification number, principal officer’s name and address, and gross receipts collected.

LawCom reviewed hotel contracts with Disney’s Coronado Springs Resort to host the 2010 and 2011 annual meetings.

R/C Richlak reported sending subordinate unit information and request letters for inclusion under the USPS Group Exemption to the remaining 40 squadrons that are not in compliance with this initiative. He reported that 16 squadrons subsequently filed the letter with headquarters.

R/C Richlak presented a proposed MOU with the USCG Office of Boating Safety supporting its National Recreational Boating Safety Program strategic plan for 2007 to 2011. The OCom ADOPTED a motion to approve the MOU. (2007-OC-18)

Report of the Marketing and Public Relations Committee

R/C Darrell Allison, AP, reported that C/C Marshburn would sign an MOU with the International Order of the Blue Gavel during the 2007 Annual Meeting.

The Marketing and Public Relations Committee will present the 2007 Ships Bell Award to the Goodyear Tire & Rubber Co. and Sun-Coast Media Group. This award is presented to
outside organizations that promote USPS.

R/C Allison reported that 30 districts requested Cooperative Advertising funds in 2006. A total of $34,288.19 was distributed. The rules and forms for the Cooperative Advertising Program are available on the committee’s website at www.usps.org/national/pr.

He reported that the 2007 Mariners World Marine Directory included 20 USPS-Popeye PSAs. This directory is distributed to marine stores and yacht clubs throughout Southern California, Arizona and southern Nevada.

R/C Allison reported that Classic Yacht, a new e-magazine, featured USPS University in its inaugural issue. Classic Yacht e-magazine reported receiving 200 responses from a link in the Compass. Subscriptions are free at www.classicyachtmag.com.

R/C Allison reported that press releases are available on the committee’s website. Promotional material for 2007 National Safe Boating Week is available at www.safeboatingcampaign.net. The site contains graphics, press release templates and promotional ideas.

The Marketing and Public Relations Committee is working with West Marine to establish a communications path between district and squadron public relations officers. The committee is also developing an outreach program with bass anglers and bass clubs.

The deadline for the Chapman, Upton and Mahnken public relations contests has been changed to 1 April.

R/C Allison reported receiving a request from Advance Visuals Productions to include a reference to the USPS website on a CD-ROM. The OCom ADOPTED a motion granting permission to Advance Visuals Productions to reference the USPS website on a CD-ROM
Report of the Planning Committee

R/C Alan F. Wentworth, SN, reported that the Planning Committee revised the seven main organizational goals of the USPS Strategic Plan. He said leadership support at all levels is critical for the plan to succeed.

R/C Wentworth reported that three Planning Committee members were also members of the ad hoc Restructuring Committee. The Planning Committee reviewed two documents from the ad hoc Restructuring Committee, Corporate Structural Changes for USPS and the USPS Marketing Plan. He said these reports have laid the groundwork for solid improvements in USPS structure and function.

The Planning Committee revised the Planning Committee Manual, which is available at www.usps.org/national/plancom/manual.

R/C Wentworth reported that the Planning Committee and the Administrative Department developed a leadership development workshop similar to the “Train the Trainer” program. These workshops will provide districts and squadrons with better leadership tools and guidelines on developing USPS leaders.

R/C Wentworth closed by saying that the Planning Committee believes there is a need to develop an overall business plan for USPS. The committee believes that developing new revenue streams and funding marketing efforts are necessary for USPS to remain competitive in its fraternal and educational pursuits.

Report of the Past Chief Commanders
P/C/C G. Leslie Johnson, SN, reported that the updated Piloting Course has been well received by his squadron.

P/C/C Lance J. Jensen, SN, encouraged OCom to continue looking for sources of revenue other than from members, similar to ABC. He encouraged developing a business plan on how USPS can remain viable while membership numbers continue to decline.

P/C/C Theodore H. Smith, SN, stated that USPS must continue to provide quality service to squadrons.

P/C/C L.M. Barnes III, SN, congratulated the OCom on its efforts to move USPS forward.

C/C Marshburn adjourned the meeting at 1545.

V/C Robert A. Baldrige, SN
National Secretary
1) A motion approving the minutes of the 9 Dec. 2006 OCom meeting. (2007-OC-1)

2) A motion to ratify a memorandum of understanding between USPS, the Federal Communications Commission and the United States Coast Guard; a memorandum of understanding with the International Order of the Blue Gavel; a memorandum of understanding with the Marine Retailers Association of America; and renewal of a memorandum of agreement with the National Oceanic and Atmospheric Administration. (2007-OC-2)

3) A motion to approve the list of 2007 honorary members. (2007-OC-3)

4) A motion accepting the USPS Governance proposal. (2007-OC-4)

5) A motion allocating up to $750 from Century Fund earnings to offset travel expenses for Karen Kimmel, a special guest speaker at the 2007 Annual Meeting. (2007-OC-5)

6) A motion to move forward with an agreement with the Canadian Power & Sail Squadrons to improve the efficiency, productivity and public awareness of each organization’s educational services. (2007-OC-6)

7) A motion to terminate Northern Arizona Provisional Squadron and North Texas Lakes Provisional Squadron. (2007-OC-7)

8) A motion to grant provisional squadron status to Colonial Provisional Squadron and assign it to District 5 for administrative purposes. (2007-OC-8)
9) A motion to recommend that the Governing Board reassign Clinton Sail and Power Squadron from District 30 to District 20. (2007-OC-9)

10) A motion to recommend that the Governing Board approve holding an Annual Meeting at the Disney Coronado Springs Resort from 30 Jan. 2010 to 7 Feb. 2010, at a rate of $146 per day and on 29 Jan. 2011 to 6 Feb. 2011, at a rate of $150 per day. (2007-OC-10)


12) A motion to send THE ENSIGN staff a letter of commendation on the redesign of THE ENSIGN magazine. (2007-OC-12)

13) A motion to send approximately 4,900 family units a letter from the chief and a $10 coupon toward any purchase at headquarters to offset the increase in national dues. (2007-OC-13)

14) A motion to recommend that the Governing Board suspend the $10 status change fee from 1 June 2007 to 31 May 2009. (2007-OC-14)

15) A motion to recommend that the Governing Board rename Evanston Sail & Power Squadron to Evanston North Shore Sail & Power Squadron and that such name change take effect upon approval of squadron bylaws by the Committee on Rules. (2007-OC-15)

16) A motion allocating funds from the Shultz-Cardoza Trust as follows: $30,000 to the Century Fund, $40,000 to the headquarters marketing department and the balance invested in unrestricted funds. (2007-OC-16)

17) A motion to register USPS University in Canada at a cost not to exceed $3,000. (2007-OC-17)