The Operating Committee of United States Power Squadrons met on 31 March 2006 at the Holiday Inn, Independence, Ohio.

Members present:

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

Guest present:

Mary Catherine Berube

Report of the Chief Commander

C/C Ernest G. Marshburn, SN, called the meeting to order at 0700.

C/C Marshburn called on R/C Alan F. Wentworth, SN, to discuss a proposed USPS Vision Statement. R/C Wentworth explained that the USPS Vision Statement is not intended to detail specific action plans but to provide direction for USPS’ future. Following discussion, the OCom ADOPTED a motion to accept the following USPS Vision Statement (2006-OC-11):
The New USPS – A Vision for the Future

After nearly a century of offering introductory boating classes to new boaters and advanced education to public class graduates who become members, United States Power Squadrons has re-engineered itself to become the most recognized and respected provider of boater education and training in America. It has expanded its market, reaching out not only to new boaters but to boaters with all levels of experience in all sorts of recreational boats from kayaks and canoes to power and sail boats of all sizes.

A new initiative called USPS University offers educational programs designed as a total immersion learning process that blends classroom instruction, distance learning and on-the-water training. Instruction is provided by certified volunteers meeting rigid educational requirements and possessing years of practical experience. Subject matter ranges from the most basic to advanced training for offshore sailors and those seeking Coast Guard Licenses. Certified USPS University courses and seminars are recognized by boating experts around the world. As technology and regulations change, USPS continually adds new courses, seminars and skills training curricula to keep 21st century boaters informed, aware and prepared.

The new USPS reaches out to provide education for members of boating groups all across the country, from fishing and hunting clubs to sailing groups and yacht clubs. When boaters across America need to polish their skills and update their training, they call the United States Power Squadrons. This outreach program has added a whole new dimension to an already strong program of squadron social activities. And, just as it taught navigation to the Navy and Merchant Marine during two World Wars, the new USPS continues to provide government assistance keeping nautical charts up to date, reporting serious boating weather conditions and providing vessel safety checks for all recreational watercraft.

An integral part of the transformation of USPS was recognizing that the practical delivery of all USPS services, whether teaching, training or performing government and civic service, is done by USPS members working at the local level. To insure the success of those efforts, USPS has empowered its local squadrons to manage their own affairs to best meet the needs of boaters in their local communities. USPS districts now concentrate on providing assistance to their local squadrons and the national organization has been restructured to insure that it responds quickly and efficiently with a continual stream of new programs and products to address diverse needs.
at the local level.

A direct result of the recognition and respect USPS has earned for this major expansion of its educational and civic service programs has been our ability to add to our partnerships with other boating organizations and, through cooperative agreements, greatly enhance the benefits of USPS membership. Selected marinas recognize the value of educated tenants and offer lower moorage fees for USPS members. New programs have been developed with insurance carriers which provide enhanced coverage as a consequence of our safe boating record. Our large membership equates to significant buying power and this is used to negotiate attractive discounts with national marine supply chains. We seek certain courtesies with selected boat dealerships, and on a local level, we continue to expand affinity group benefits from suppliers of goods and services. Our aim is to build a boating organization with the highest value to its members.

The new USPS represents a major transformation of a great organization for the 20th century into a greater one for the 21st!

C/C Marshburn discussed costs related to sending chief commander’s representatives to district conferences. The OCom agreed that chief commander’s representatives provide valuable information and feedback between national and districts. A motion was ADOPTED to eliminate compensation for chief commander’s representatives attending the 2006 fall district conferences, at an estimated savings of $24,000. (2006-OC-12)

The chief reported that he received a commitment from a corporate sponsor willing to contribute funding to cover the subsidy normally paid by USPS for the members luncheon at the 2006 Governing Board Meeting in New York.

C/C Marshburn reported that he is working with the area monitors to simplify the process of awarding merit marks. He reported that the area monitors agreed to waive reimbursement to attend national meetings for the next two years, at an estimated savings of $8,285.

The chief reported that a letter requesting voluntary contributions will be included with life members’ 2007 dues notices.
The OCom discussed the need to reduce headquarters’ expenses due to the financial crisis. A motion was made and ADOPTED to reduce the combined FY2006 headquarters and THE ENSIGN budgets by $150,000, with a request that headquarters and THE ENSIGN staff attempt to reduce expenses enough to come in $200,000 under budget. (2006-OC-13)

C/C Marshburn discussed several revenue-generating recommendations from the ad hoc Restructuring Committee. The chief assigned the following suggestions to specific OCom members for further study: 1) work with a direct marketing vendor to market boating course graduate mailing lists; 2) permit limited advertising on the USPS website; 3) offering unattached membership to online course graduates who live in remote areas; 4) establishing memorandums of understanding with organizations that have connections to yacht clubs; 5) seek corporate sponsorships to offset expenses; 6) increasing Ship’s Store advertising and marketing; 7) pursuing the print-on-demand process, and 8) increase the visibility of the America’s Boating Course website and partnering with an outside organization to offer discount coupons to reduce the cost of the online course.

Report of the National Executive Officer

V/C Creighton C. Maynard Jr., SN, reported that Ashtabula/11, is in the process of dissolution. He reported that Saddle River/4 and Northern New Jersey/4 are in the process of merging.

V/C Maynard reported that the Government and Partner Relations Committee proposed a policy for official USPS representatives attending non-USPS activities. The OCom ADOPTED a motion to approve a Policy for Official USPS Representatives to Non-USPS Meetings, Events and Activities (policy attached). (2006-OC-14)

The Squadron Development Committee reported that Kanawha River Power Squadron/7, Point Wilson Power Squadron/16 and Lake Mohave Power Squadron/28 have been chartered since 1 Jan. 2006.

The Recreational Boating Safety Committee reported that 2006 National Safe Boating Week materials are available at the National Safe Boating Council’s website at www.safeboatingcouncil.org.
The Vessel Safety Check Committee reported that final 2005 Vessel Safety Check Program numbers show that 2,548 vessel examiners inspected 32,891 vessels in 2005. The committee reported that the online reporting system is working well. Year 2006 vessel safety check decals have been mailed to all districts and squadrons.

The VSC Committee reported that the Law Committee agreed that Sea Scouts and apprentices who are at least 18 years old can become vessel examiners.

The USPS Environmental Committee submitted a $42,444 grant application on 23 Feb. 2006 to fund the *USPS Boating Environment Best Practices* brochure and the *Unsplash Your Trash* Campaign.

**Report of the National Educational Officer**

V/C Dick Kyle, SN, discussed a proposal to eliminate the educational requirement for membership. He reported a proposed alternative to waive the educational requirement for a specified time. A waiver would not necessitate a bylaws amendment and would allow time to study the effectiveness of the change. He stated that squadrons are looking for ways to teach nonmember courses to the public and to transition those students into membership without requiring them to pass a boating course exam. The OCom ADOPTED a motion recommending that the Governing Board waive the educational membership requirement for a period of three years. (2006-OC-15)

V/C Kyle discussed the print-on-demand process. This process uses the latest printing technology and could eliminate the need to maintain large, costly inventories at headquarters. The OCom ADOPTED a motion to develop a request for proposal with Astoria Graphics for print on demand. (2006-OC-16)

The national educational officer reported that the new Seamanship Course will be available in September 2006. The course will include the supplemental text, a *One-Minute Guide* to the rules of the road and an outline and study guide to prepare students to take the U.S. Coast Guard Captain’s License exam.
V/C Kyle reported that the new Junior Navigation Course is being beta-tested and will be available in September 2006.

The national educational officer reported that USPS University is moving forward. The student guides are ready, and materials for the first six courses have been ordered.

V/C Kyle discussed a proposal to remove restrictions on pricing boating classes. USPS Bylaws, Section 17.2, reads as follows:

Instruction in boating safety courses shall be without charge to any student. No registration or tuition fee shall be charged by a squadron as a condition for taking a boating safety course or for the issuance of a Certificate of Completion. Any registration fee or other per capita charge by public or private enterprise (other than the squadron) for use of a facility for classes may be paid by the student and no part thereof shall inure to the benefit of a squadron. Any person sitting for the examination only, without taking classroom instruction may be charged a fee set by the Operating Committee to cover the cost of administering the examination and the necessary reports required to be filed with USPS.

He stated that USPS operations and revenue sources have changed and that after a discussion with LawCom about USPS’ 501(c)(3) application, he recommended that LawCom consider the possibility of developing a proposed statement of disclosure that defines USPS’ current operations.

Report of the National Administrative Officer

V/C Frank A. Dvorak, SN, reported that 1,558 copies of the USPS cookbook, By Land or by Sea, have been sold to date. There are 1,762 remaining in inventory. The committee reports that there are 28 auxiliaries with approximately 1,000 members.

The Leadership Development Committee is developing the second in a series of leadership seminars, “Ten Ways to Get the Best Out of Your Squadron.” The committee has created a new Presenters Guide on CD-ROM for the Leadership Development Program.
The Member Benefits Committee is developing a program with Boater’s World in which members will receive a 5 percent discount on online purchases and USPS will receive a 2 percent rebate. LawCom is currently reviewing the agreement.

V/C Dvorak reported that St. Paul Travelers Insurance Co. will not renew boat insurance policies for boats more than 10 years old or valued at more than $100,000 in the Gulf Region from Florida to Texas and along the Southeastern Atlantic Coast. Approximately 954 members will be affected by these cancellations. He reported that the Member Benefits Committee is working with McGriff, Seibels and Williams to find alternative insurance for these members whose policies will be cancelled. V/C Dvorak reported that he distributed a letter suggesting that any affected members contact McGriff, Seibels and Williams for possible alternatives. He also reported that a letter from McGriff, Seibels and Williams will be published in the April issue of THE ENSIGN.

The Membership Committee will demonstrate the WaterSmart from the Start software during the International Boating and Water Safety Summit in late April. The committee has produced two PowerPoint programs on recruiting and new member orientation that can be downloaded from the committee’s website. The Squadron Job Description Manual is also available for download.

The Squadron Activities Committee reported that the port captains database contains 504 USPS and 17 Canadian port captains. The amateur radio database contains 360 USPS and 93 Canadian amateur radio operators.

The Squadron Activities Committee reported that an Amateur Radio Net special event station is scheduled for 2 and 3 June 2006 at American Radio Relay League facilities in Newington, Conn.

Report of the National Secretary

V/C Robert A. Baldridge, SN, discussed a recommendation from the ad hoc Restructuring Committee to reduce the number of issues of THE ENSIGN to six per year, at an estimated savings of $50,000. He reported that he and Yvonne Hill, editor, were proposing to reduce the number of issues to six, improve the quality and supplement with an electronic
V/C Baldridge stated that the magazine’s marketability to advertisers and desirability to readers would be improved by upgrading the paper to a heavier, brighter, whiter stock and a separate heavyweight, glossy, UV-coated cover. The number of pages would be reduced from 48 to 36 per issue to improve paper quality without incurring additional expense.

The national secretary proposed that a supplemental electronic publication would be delivered on a regular basis to subscribers. There would be no fee for a subscription, but readers would have to opt in. This publication would have a unique identity and could serve as a recruiting, marketing and member benefit tool. An electronic publication also has the potential to provide additional advertising revenue and Ship’s Store sales through links or online ads. The online publication would provide up-to-the-minute information to members.

The OCom ADOPTED a motion, effective 1 Jan. 2007, to reduce the number of THE ENSIGN issues to six per year, print on higher-quality paper, reduce the number of pages from 48 to 36 and to publish an electronic supplement, at an estimated savings of $57,000. (2006-OC-17)

V/C Baldridge reported on a recommendation from the ad hoc Restructuring Committee to allow squadrons to input new member application data electronically to reduce the time to process new members at headquarters, at an estimated savings of $20,000 per year. He reported that it currently takes the headquarters membership staff about nine minutes to process a new member. He said that he estimates that an online system would reduce the time to about five minutes. In 2005, headquarters processed 6,881 new active and family members, which equates to 459 hours or approximately $9,200. He anticipated that about 50 percent of the squadrons would participate, and the estimated savings would be $4,600.

The OCom ADOPTED a motion, effective 1 Jan. 2007, to beta test the electronic input of new member applications by squadrons. After testing and refinement, all squadrons would be allowed to participate effective 1 Jan. 2008. (2006-OC-18)

V/C Baldridge discussed a proposal to simplify the dues structure. The proposal would reduce the current dues categories to a single active membership or a family group membership.
He noted that a simplified dues structure would be easier to understand, increase the potential for new members, promote member retention and increase revenue. The OCom ADOPTEladen a motion to recommend that the Governing Board reduce the current dues categories to single active membership at one rate and family group membership at one and a half times the single rate. (2006-OC-19)


V/C Baldridge reported that the Ship’s Store website upgrade is moving forward. The new store will be available at www.shopusps.org. He reported that reducing the number of national meetings per year from three to two will hurt Ship’s Store sales. The plan is to increase Web sales and to implement a rebate sales incentive program for squadrons.

Report of the National Treasurer

V/C Joseph R. Mesenburg, SN reported that even though the mutual fund investments (valued at $722,793) had an excellent return, the dollars invested in mutual funds today are substantially less than one year ago because of withdrawals to pay operating expenses and also a change in the asset allocation of total dollars invested. From a historic perspective, invested mutual funds totaled $1,580,741 on 28 February 1999. The total gains from mutual fund investments since 28 February 1999 are $570,893.

The national treasurer stated that on 28 February 2005, USPS membership was down 2.17 percent compared with the previous year. He reported that membership was down by 4.98 percent as of 28 February 2006 compared to the previous year. In regard to the 2006 budget, he predicted that even with the $1.80 annual dues increase, the dues and fees could be $45,000 less than budgeted if member retention and new member percentages remain the same.

Also, he did not anticipate receiving $52,500 in grant income that was budgeted, nor the budgeted dollars from anniversary print sales. He also estimated net educational sales may be approximately $100,000 less than budgeted. Bank fees associated with HQAB were not calculated in the budget, and he anticipates $25,000 less than budgeted from THE ENSIGN advertising sales. He reported without any significant changes, he would estimate a deficit of

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approximately $325,000 for FY2006.

A number of initiatives regarding "Stopping the Financial Losses" were discussed in detail and enacted upon by the entire Operating Committee throughout the meeting.

V/C Mesenburg reported that Chase Bank had reported that they are not ready to provide the data needed to support the district and squadron revenue sharing program.

**Report of the Finance Committee**

R/C Michael J. Horowitz, JN, reported that $200,000 was transferred from USPS money market invested funds to pay operational expenses in January and March 2006.

R/C Horowitz reported that the value of the USPS portfolio as of 31 March 2006 was $868,300.55, with a total investment return of $17,410.29 or 2 percent.

He reported that the Endowment Fund balance as of 31 March 2006 was $852,038.13.

R/C Horowitz reported that the value of the district and squadron funds under the Finance Committee’s management was $1,000,762. These funds are invested in certificates of deposit and money markets.

He reported that as of 30 Nov. 2005 the financial alarm test was $2,464,172, which is $535,828 less than the control limit of $3,000,000. He said that the financial health of USPS, as measured by the level of undesignated, unrestricted funds continues to decline.

R/C Horowitz discussed a proposal to increase the new member initiation fee to a single rate for either a primary active or a family unit. The OCom ADOPTED a motion to recommend that the Governing Board establish a single new member initiation fee of $25 for either a primary active or a primary active and all associated members. (2006-OC-21)

**Report of the Committee on Nominations**

R/C Shirley Van Rhee, JN, reported that the committee is updating the National
Committee on Nominations Operating Procedures Manual with the goal of completing the updates by the 2006 Governing Board Meeting in New York.

R/C Van Rhee reported that the online resume system has been enhanced, and rear commanders can review individual resumes specific to their committee at www.usps.org/national/comnom.

Report of the National Law Officer

R/C James D. Richlak, SN, reported that “The United States Power Squadrons” and design trademark is up for renewal and that a determination should be made whether the word “The” remains in the registration. The consensus was to delete “The” and to amend the registration to avoid any issues regarding whether the registration covers the mark as it is being used.

R/C Richlak reported that the ensign flag design trademark in a ship’s wheel is up for renewal. The OCom ADOPTED a motion to spend up to $700 to renew the ensign flag design trademark in a ship’s wheel for a 10-year period. (2006-OC-22)

R/C Richlak reported that a member of Point Wilson Sail/16 offered to donate a boat to the squadron. R/C Richlak will advise the squadron that it can accept the donation but should acquire its own insurance to cover the boat, liability and related activities.

Report of the Marketing and Public Relations Committee

R/C Darrell Allison, AP, reported that Popeye public service announcements are appearing in magazines across the country. He reported that several news releases have been e-mailed and faxed to local publications within the past 90 days.

R/C Allison reported that a publishers database has been assembled by the Educational Department and Marketing and Public Relations Committee. The committee is also developing a database of broadcast industry contacts.

He reported that the USPS ensign was displayed incorrectly on the trade show display booth provided by Infinite Graphics Inc., but that it has now been corrected.
R/C Allison reported on a potential marketing opportunity to display USPS taglines on a Goodyear blimp during the 2006 National Safe Boating Week.

He reported receiving requests as of 31 March 2006 from 27 squadrons and 11 districts for Cooperative Advertising funds.

**Report of the Planning Committee**

R/C Alan Wentworth, SN, reported that it is time to consider sweeping changes in the way USPS is governed. He said that outmoded restrictions and cumbersome bylaws requirements make it difficult for USPS leadership to act in a decisive and timely manner. He reported that the Planning Committee will work with the ad hoc Restructuring Committee and the Committee on Rules to outline specific recommendations regarding simplifying and modernizing the governance system.

**Report of the Past Chief Commander**

P/C/C G. Leslie Johnson, SN, reported that he will be teaching a public boating class for Diablo/25 during the 2006 National Safe Boating Week.

C/C Marshburn adjourned the meeting at 1620.

V/C Robert A. Baldridge, SN
National Secretary
Action Items
Operating Committee
31 March 2006

1. A motion to accept a USPS Vision Statement. (2006-OC-11)

2. A motion eliminating compensation for chief commander’s representatives attending the 2006 fall district conferences, at an estimated savings of $24,000. (2006-OC-12)

3. A motion directing that the combined FY2006 headquarters and THE ENSIGN budgets be reduced by $150,000, with a request to reduce by $200,000. (2006-OC-13)

4. A motion to approve a Policy for Official USPS Representatives to Non-USPS Meetings, Events and Activities. (2006-OC-14)

5. A motion recommending that the Governing Board waive the educational membership requirement for a period of three years. (2006-OC-15)

6. A motion to develop a request for proposal with Astoria Graphics for print on demand. (2006-OC-16)

7. A motion, effective 1 Jan. 2007, to reduce the number of THE ENSIGN issues to six per year, print on higher-quality paper, reduce the number of pages from 48 to 36 and to publish an electronic supplement, at an estimated savings of $57,000. (2006-OC-17)

8. A motion, effective 1 Jan. 2007, to beta test the electronic input of new member applications by squadrons. After testing and refinement, all squadrons would be allowed to participate effective 1 Jan. 2008. (2006-OC-18)

9. A motion to recommend that the Governing Board reduce the current dues categories to single active membership at one rate and family group membership at one and one-half times the single rate. (2006-OC-19)

10. A motion to adopt a THE ENSIGN Editorial Policy. (2006-OC-20)
11. A motion to recommend that the Governing Board establish a single new member initiation fee of $25 for either a primary active or a primary active and all associated members. (2006-OC-21)

12. A motion to spend up to $700 to renew the ensign flag design trademark in a ship’s wheel for a 10-year period. (2006-OC-22)
Government and Partner Relations Committee
POLICY for “OFFICIAL USPS REPRESENTATIVES”
TO
NON-USPS MEETINGS, EVENTS and ACTIVITIES

Objectives  The objectives of this policy are to assist the Chief Commander and to ensure…

1. Coordination of “official” USPS representation with authority to speak for USPS.

2. Current, consistent and “official” information regarding USPS policies and positions on issues.

3. Communication with appropriate USPS officers by sharing meeting actions and results.

General Terms

1. “Official USPS Representatives” are appointed by and serve at the pleasure of the Chief Commander.

2. When formal reports are to be presented to an outside organization, they should be cleared with the Chief Commander in advance with a copy to the NGPRCom Chairman, and other appropriate officers.

3. Following the meeting or event, the representative must provide the Chief Commander a written report discussing topics of interest to USPS, actions taken, and recommendations for further action. In most cases all Bridge Officers and the NGPRCom Chairman should be copied. Other appropriate USPS members may be copied and, if copied, must be noted on the distribution list.

4. In special cases the Chief Commander at his discretion may restrict the distribution of reports.
The Ensign Committee regards editorial integrity as a cornerstone of its mission.

1. Editorial Independence.

   Editorial independence is the best way to achieve honesty and excellence in our work.

1.1 A publication’s editor should have control over all editorial content, photos and front cover artwork.

1.2 The Ensign Committee expressly condemns the practice of trading advertising for editorial content. We believe that this practice not only undermines a publication’s credibility among its readers but ultimately diminishes its value in the marketplace.

1.3 Insofar as possible, editorial and advertising functions should be kept separate to avoid the risk of editorial decisions being influenced by advertising revenues.

1.4 Editors should not submit any editorial piece to advertisers for prior approval or screening. This does not preclude checking facts or verifying quotes for accuracy.

1.5 Advertorial and sponsored pages must be clearly labeled as such on each page of the advertising section. Display advertising must be clearly differentiated from editorial to avoid confusion.

2. Accuracy, Fairness and Truth

   Editors and writers should always strive to be fair and truthful.

2.1 Writers and editors must never deliberately mislead readers, either by making dishonest or distorted statements or by omitting pertinent facts about a product or subject they are covering. However, editors may inform a manufacturer of specific criticisms of boats or products prior to publication and give the manufacturer a fair chance to respond before the article appears in print.

2.2 Any factual errors should be acknowledged immediately, and corrections should be featured as prominently as possible.

2.3 Information provided by any manufacturer must be identified as such. This includes performance test data that has not been independently verified by the editor or writer.

2.4 Plagiarism is considered theft of another’s work. Writers and editors should always attribute materials taken from other sources.

3. Conflicts of Interest.
Writers and editors should avoid conflicts of interest, real or perceived whenever possible.

3.1 Any potential conflict of interest, which might affect editorial content, must be disclosed prior to publication. Writers must notify editors, and the editor, in turn must disclose this information to readers.

3.2 Editors and writers should not expect substantial gifts, services or merchandise from organizations or individuals that may be affected by editorial content.

3.3 Editors and writers should not solicit products for personal use.

3.4 The acceptance of a product for editorial review does not carry an obligation to give that product favorable coverage. Any products provided by suppliers should be returned after the test is complete.

3.5 Any product loaned on “consignment” or for a “long-term test” should be identified as such in the article.

Adapted from Boating Writers International Code of Ethics

R/C Ina Fay Zitter, JN
Chairman The Ensign Committee