The Operating Committee of United States Power Squadrons met on 7 May 2003 and for subsequent meetings held on 8 - 10 May 2003 at the Sheraton Hotel, New Orleans, La.

Members present:

C/C Theodore H. Smith, SN  R/C Frank E. Dougherty, AP
V/C G. Leslie Johnson, SN  R/C Joseph R. Mesenburg, SN
V/C Spencer P. Anderson, SN  R/C Thomas R. Dougherty, SN
V/C Ernest G. Marshburn, SN  R/C Maurice G. Rice Jr., AP
V/C Frank A. Dvorak, SN  R/C Kenneth D. Link, JN
V/C John T. Alter, SN  R/C Roby Schottke, SN
P/C/C Lance J. Jensen, SN

Guests present:

P/C/C Raymond A. Finley Jr., SN  P/C/C L.M. Barnes III, SN
P/C/C Richard W. Miner, SN  P/C/C Arthur H. Farr, SN
P/C/C James T. Stewart, SN  Mary Catherine Berube
P/C/C Gillette E. Gordon, SN

Report of the Chief Commander

C/C Smith called the meeting to order at 0815 and led the invocation.

C/C Smith reported that the Operating Committee, using electronic means between OCom meetings, voted to rescind a previous motion, after receiving additional information, that headquarters bill members of Mississippi Coast Power Squadron/15 for the appropriate national dues and the District 15 assessment with a letter outlining the alternatives of transferring to another squadron.
C/C Smith congratulated the vice commanders whose departments have created online departmental newsletters and encouraged other departments to follow.

The OCom ADOPTED a motion to present honorary memberships to Louisiana Governor Mike Foster Jr., Capt. James W. Stark, operations officer 8th U.S. Coast Guard District, Cdr. Kim Pickens, USCG and Josh Gilliland, president, Sea Scouts Quartermasters, Boy Scouts of America. (05-OC-34)

**Report of the National Executive Officer**

V/C Les Johnson, SN, reported that 19 new squadrons have been chartered in nine districts since the provisional squadron program began in January 2000. He stated that a minimum of six active members is required to request provisional squadron status. The manual titled *How to Develop a New Squadron Using the Provisional Squadron Approach* is a simple step-by-step outline that guides provisional squadrons through the process.

V/C Johnson reported that a group from the Columbia Bend area in Washington state had met all requirements for provisional squadron status. The OCom ADOPTED a motion to approve provisional squadron status for a group from Columbia Bend and to assign it to District 16 for administrative purposes. (05-OC-35)

The national executive officer reported that since the Vessel Safety Check Program began just three years ago the program has been very successful in creating a safer boating environment for members and nonmembers.

The Cooperative Charting Committee reminds members that CCWEB went into effect on 1 April 2003. All members will now report their corrections and file their reports online. The program also computes and awards credits to members, and the district chairman can review the credits online.

The national executive officer reported that Mississippi Coast Power Squadron/15 and Tallahassee Sail and Power Squadron/22 had completed all necessary requirements for dissolution and that he would ask the Governing Board to dissolve these squadrons.

V/C Johnson reported on a resolution received from the District 9 spring district conference. The resolution states: “Be it resolved that those members in order to be eligible for partial reimbursement for lodging must stay at the host hotel, or designated hotel if more than one is utilized, in order to qualify for such reimbursement.” He assigned the resolution to the Operating Committee.

Report of the National Educational Officer

V/C Spencer P. Anderson, SN, reported that America’s Boating Course (ABC) representatives met with the principals of BoatEd during the International Boating and Water Safety Summit (IBWSS) to discuss implementation of ABC online testing. He said that 34 states were currently covered by BoatEd supplements, and that BoatEd agreed to publish additional state supplements for states that are not currently covered by BoatEd.

V/C Anderson reported that the GPS Seminar CD-ROM, which was recently provided to all DEOs and SEOs courtesy of an Educational Fund grant, is a great course that can be given to the public as a squadron fundraiser and as a member recruitment tool. The PowerPoint® seminar includes an outline for students and an instructor’s guide. He said that the program can be used as a tickler seminar to help educate the public about GPS waypoint navigation, as a boating course add-on program and as additional instruction on electronic navigation in the Piloting, Advanced Piloting and Junior Navigation courses.

V/C Anderson reported that headquarters is now shipping ME 101, 102 and 103 modules.

The national educational officer reported that the new Chart Smart instructor manual is now available at headquarters. The OCom ADOPTED a motion to establish a selling price to squadrons of $7.50 for the Chart Smart instructor manual. (05-OC-36)
V/C Anderson reported that the Educational Department is developing a series of seven basic Paddle Smart informational safety pamphlets for use at trade shows, marine stores and boating classes. The subjects will include paddle boating fundamentals, navigation rules, nautical charts, homeland security and environmental issues.

The national educational officer reported that a PowerPoint® presentation for Seamanship 101 has been posted on the Educational Department’s Web site. The department plans to post a presentation for Seamanship 102 in the future.

He reported that 400 members have received instructor certification to date. He reminded members that NASBLA is not requiring USPS to implement the instructor certification program. He said that many states now require that USPS use certified instructors but that the requirements for certification are USPS’ responsibility.

V/C Anderson reported that he is working on a memorandum of understanding with Utah.

The Educational Department is also working with the American Sailing Association to develop an MOU to allow USPS members to receive credit for coursework taken in partial fulfillment of standards for the ASA Keelboat Sailing Certification Program.

Report of the National Administrative Officer

V/C Ernest G. Marshburn, SN, reported that the Auxiliary Committee will offer cookbook presales by the Ship’s Store at the spring 2003 Governing Board Meeting. The committee has received approximately 200 recipes to date. The goal is to include at least one recipe from each squadron.

V/C Marshburn reported that there are 32 active auxiliaries with a total membership of 1,148.

The Safe Boating Activities Committee reported that the MOA with the National Weather Service will be signed during the spring 2003 Governing Board Meeting. This MOA would call on USPS members to report weather observations to NOAA while cruising in areas where NOAA does not have reporting facilities.
The Flag and Etiquette Committee will provide its report to the Governing Board on 10 May 2003 regarding the District 13 resolution to allow past district officers to wear name tags indicating their status as past district officers. Subsequent to this meeting, the national administrative officer reported that the Flag and Etiquette Committee had recommended that the District 13 resolution be approved by the Governing Board.

The Membership Committee reports that the Member Involvement Committee Awards will be presented during the Administrative Department open meeting. The committee reports that 12 squadrons are working with Sea Scout ships in six states, with a total of 88 sea scouts participating.

The National Meetings Committee worked with the Marketing and Public Relations Committee on a four-page insert featuring the Reno Governing Board. This insert and reservation forms for the Reno Governing Board Meeting will be published in the June issue of THE ENSIGN. The committee has also coordinated efforts for a videotaped welcome message from Louisiana’s Governor M.J. “Mike” Foster Jr., that will be presented during the New Orleans Governing Board Meeting.

V/C Marshburn discussed the first timers’ reception held during Governing Board meetings. The OCom ADOPTED a motion to provide one complimentary glass of wine to first time Governing Board attendees who attend a first timers reception. (05-OC-37)

The national administrative officer discussed the need to create a formal youth scholarship program. He reported receipt of one donation and reported that a grant has been requested from OMC for a scholarship fund. The OCom ADOPTED a motion to approve the concept of a USPS Youth Scholarship Program to be developed by the national treasurer. (05-OC-38)

The Operations Training (Administrative Department) and Instructor Development (Educational Department) committees will meet to explore ways to reach more members and to develop a leadership program specifically for district and squadron officers.

V/C Marshburn reported that the Power of One Campaign continues to gain momentum and that a PowerPoint® presentation would be presented to the Governing Board on 10 May 2003. The program’s projected launch is at the fall 2003 Reno Governing Board with a projected program start date of October 2003.
The national administrative officer reported that members can receive timely information on USPS events, activities and other important information by subscribing to the new USPS Listserv® launched by the Administrative Department, Inside USPS. Members can easily subscribe to this Listserv® by visiting: www.usps.org/mailman/listinfo/insideusps.

V/C Marshburn reported that the following Governing Board meeting recommendations would be presented to the Governing Board on Saturday: 1) 15-20 Aug 2006, Grand Hyatt, New York, N.Y. at $169/night; 2) 20-25 Feb 2007, Adam’s Mark, Jacksonville, Fla., at $124/night; and 3) 4-9 Sept 2007, Marriott, Norfolk, Va. at $119/night.

Report of the National Secretary

V/C Frank A. Dvorak, SN, reported that 2004 dues notices are in the mail. The 2003 Directory of National, District and Squadron Officers has been shipped to all districts and squadrons.

V/C Dvorak reported that the most recent issue of the Secretary’s Department newsletter is available at www.usps.org/national/natsec.

The national secretary and national treasurer are coordinating efforts on two projects: allowing credit card use by squadrons and possibly implementing a voluntary headquarters anniversary billing trial limited to three districts.

THE ENSIGN Committee continues to coordinate lobby table displays at national meetings. The committee reports that several new advertising accounts have been obtained for THE ENSIGN since the contract-based system of lobby table displays was implemented.

The Information Technology Committee reports that the new security system for member data on the Web site is in the implementation stage. This system uses the D60 list of all national committee members and provides for a user identification number and a password to enable the member to access secure committee Web sites. A new Web site is being developed that will allow specific district and squadron members to access the new Web-enabled version of DB2000. It will allow roster chairmen to update member records over the Internet directly to the AS/400 database at headquarters.
The Operations Manual Committee is in the process of updating sections of the Operations Manual and will update the online manual upon completion.

The Publications Committee is creating an online list of district and squadron publication editors that will be available on the committee’s Web site.

V/C Dvorak reported that the Ship’s Store Committee is using the new bar code system at the spring 2003 New Orleans Governing Board.

Report of the National Treasurer

V/C John T. Alter, SN, reported that operating revenues exceeded expenses by $36,474 as of 31 March 2003.

V/C Alter reported that the Budget Committee would make its final review of the 2004 budget during the New Orleans Governing Board Meeting in preparation for a review by the national bridge in July.

The national treasurer reported that the IRS 990 letters (form TR-1) were mailed to district, squadron and auxiliary treasurers in April requesting them to report their filing status to headquarters.

V/C Alter reported that the boat insurance program continues to be successful. So far this year, the renewal rate exceeds 90 percent and new business premiums have grown by 13 percent over the same period last year. There have been only 18 claims during 2003. In December 2002, McGriff, Seibels and Williams personnel began enforcing a program to verify the membership status of USPS policyholders.

The Member Benefits Committee is evaluating new programs, including a proposal from the World Yachting Association for a safety float plan, a program for discounted long-term health care from the John Hancock Insurance Company, and a discount program for C-MAP electronic charts.

V/C Alter reported that the Planned Giving Committee is working on a marketing plan and developing a donor recognition program.
The national treasurer reported that sales of the 90th anniversary art project are going well.

**Report of the Finance Committee**

R/C Joseph R. Mesenburg, SN, reported that the total value of the funds managed by the Finance Committee is $2,285,175.08. The asset allocation is 34.3 percent in equity mutual funds, 37.2 percent in certificates of deposit and 28.5 percent in money market funds. He reported that from 1 December 2003 through 30 April 2003 there was a positive return of $1,665.47, as compared to a negative $66,274 only 30 days prior. The equity mutual funds were valued at $784,265.23 as of 30 April.

R/C Mesenburg reported that the district and squadron restricted funds have a value of $933,892 as of 30 April. Excluding these dollars, the asset allocation is $784,265.23 in equity mutual funds and $567,017.85 in money market funds, for a total value of $1,351,283.08. The asset allocation excluding district and squadron funds is 58 percent in equity and 42 percent in money market funds.

R/C Mesenburg reported that the Finance Committee plans to implement two important changes in the investment portfolio, including increasing the equity percentage and repositioning the mutual fund holdings by selling the Janus Fund and adding a Fidelity Mid Cap Growth Fund.

He reported that the balances in the Member’s and Endowment funds are $113,534.49 and $124,123.06, respectively.

R/C Mesenburg reported that the financial alarm test has stabilized and that no action is necessary at this time except to continue to show consistent vigilance in regard to every line item on both the revenue side and the expenditure side of the operating financial statement.

**Report of the Marketing and Public Relations Committee**

R/C Kenneth D. Link, JN, reported that the MOU with the U.S. Army Corps of Engineers will be signed during the New Orleans Governing Board Meeting.

R/C Link reported that marketing materials promoting America’s Boating Course and the Vessel Safety Check Program titled “You’re in Command - Boat Safely ” were introduced at IBWSS in April 2003 and can be ordered from headquarters for shipping and handling.
R/C Link reported that USPS was well represented at IBWSS. Several members manned the USPS public relations booth and focused on educational materials, particularly learning guides and *Boating Safety for Kids*.

He reported that C/C Smith signed a general agreement with West Marine to sell learning guides and other USPS items in its stores.

R/C Link reported that he is continuing to discuss the Partner’s Program with Genmar, Parker Boats, Monterey Boats, Chris Craft and C&C. He said that USPS will be represented at the National Marine Manufacturers Association meeting this fall.

The PRO Web site has been updated and includes a new PRO catalog and new NPR forms.

R/C Link reported that the current public relations one-on-one card will not be reprinted. The committee will design a new card and is considering making the card available for download from the Web site.

R/C Link reported that C/C Smith’s “fireside chat” video has been distributed to all districts and squadrons. The video promotes the chief’s emphasis on membership and marketing.

**Report of the Planning Committee**

R/C Roby Schottke, SN, reported on the USPS Strategic Plan Phase III, the monitoring phase. He reported that of the 24 approved strategies; two had been completed, seven were progressing, four were beginning, four needed help and seven were not started. Through the report, OCom reviewed the progress on the various strategies and discussed those strategies that need to be coordinated or assigned. The Secretaries Department was assigned to coordinate communications strategy #1 with the standardization of USPS forms. Under awareness strategy #1, OCom discussed the need to promote use of the tag line "America's Boating Club®." The OCom ADOPTED a motion to add the tag line "America's Boating Club®" to the cover of THE ENSIGN. (05-OC-39). Other assignments of strategies were to be made at a later date.
Report of the Committee on Rules

R/C Thomas R. Dougherty, SN, presented a proposed *Bylaws* amendment to define an apprentice as an identifiable class of member, who is older than 12 but younger than 18. He will present the amendment to the Reno Governing Board for approval.

R/C Dougherty will ask the New Orleans Governing Board to approve squadron status for Skagit Bay Provisional Squadron and to assign it to District16.

R/C Dougherty reported that the following provisional squadrons would be terminated do to provisional squadron time limits unless further action is taken by the OCom to extend their authorization: Big Lake Provisional Squadron/5 and Houma Provisional Squadron/15. He reported that Hattiesburg Provisional Squadron/15 and Guayama Provisional Squadron/33 were been terminated previously.

Report of the National Law Officer

R/C Maurice G. Rice Jr., AP, reported that the Law Committee continues to seek malpractice insurance.

R/C Rice reported that the Law Committee continues to gather facts to justify successful negotiation with the United States Postal Service relating to its claim to trademark protection for the initials USPS.

The committee has received a final draft of the USPS Employees 403(b) restated pension plan and will present the plan later this week to the OCom for approval. During a subsequent meeting of the OCom held during this Governing Board Meeting, the USPS employees 403(b) restated pension plan was ADOPTED and executed. (05-OC-40)

R/C Rice reported receipt of a gift by Clearwater Sail & Power Squadron/22. He reported that the squadron has established reasonable restrictions on the use of the funds, consistent with the purpose of the gift, and has sought legal and investment advice. The OCom ADOPTED a motion approving a gift received by the Clearwater Sail & Power Squadron/22 in the amount of $266,157, and an additional final distribution, pursuant to Operating Committee policy. (05-OC-41)
Report of the Committee on Nominations

R/C Frank E. Dougherty, AP, reported that the Committee on Nominations had sent letters to 33 members who have been identified as having grant-writing skills.

Report of the Past Chief Commander

P/C/C Lance J. Jensen, SN, reviewed the three district resolutions that he would present to the Governing Board as previously discussed at the February and April 2003 OCom meetings.

P/C/C Jensen reported that ABC promotional flyers and posters are available at headquarters for shipping and handling costs.

He reported that the ABC Joint Venture has agreed to accept two offers from BoatEd. They will provide ABC Web site remodeling to enhance greater search engine recognition and improved site negotiability on the basis of a letter of intent. BoatEd will also provide online testing for ABC on the basis of a letter of intent.

P/C/C Jensen reported on a request from the USCGAux to reduce the cost of the price of the ABC manual to USPS and the USCGAux. He reviewed the current costs to produce the ABC manual and proposed that USPS accept the USCGAux’s request. The OCom ADOPTED a motion to support the USCGAux’s request to reduce the cost of the selling price of the ABC manual and CD-ROM sold by ABC Central to USPS and the USCGAux to $3 per set. (05-OC-42)

V/C Anderson stated that subsequent to the OCom approving a price reduction in the cost of ABC manuals to USPS and the USCGAux, that the price reduction should be passed on to squadrons. He made a motion that the price of the ABC course materials to squadrons be reduced from $17.50 to $15, which corresponds with the selling price to squadrons for the Boat Smart course, and the OCom ADOPTED the motion. (05-OC-43)

C/C Smith adjourned the meeting at 1237.

V/C Frank A Dvorak, SN
National Secretary

- 11 - OCom 7 May 2003
Operating Committee
7 - 10 May 2003
Action Summary

1. A previous electronic vote to rescind a previous motion, after receiving additional information, that headquarters bill members of Mississippi Coast Power Squadron/15 for the appropriate national dues and the District 15 assessment with a letter outlining the alternatives of transferring to another squadron.

2. A motion to present honorary memberships to M.J. “Mike” Foster Jr., governor of Louisiana, James W. Stark, operations officer, 8th U.S. Coast Guard District, Cdr. Kim Pickens, USCG and Josh Gilliland, Sea Scouts quartermaster. (05-OC-34)

3. A motion to approve provisional squadron status for a group from the Columbia Bend area and to assign it to District 16 for administrative purposes. (05-OC-35)

4. A motion to establish a selling price to squadrons of $7.50 for the Chart Smart instructor manual. (05-OC-36)

5. A motion to provide one complimentary glass of wine to first time Governing Board attendees who attend a first timers reception. (05-OC-37)

6. A motion to approve the concept of a USPS Youth Scholarship Program to be developed by the national treasurer. (05-OC-38)

7. A motion to add the tag line “America’s Boating Club®” to the cover of THE ENSIGN. (05-OC-39)

8. A resolution approving the execution of a restatement of the headquarters’ employees 403(b) sheltered annuity plan. (05-OC-40)

9. A motion approving a gift received by Clearwater Sail & Power Squadron/22 in the amount of $266,157, and to include an additional final distribution, pursuant to Operating Committee policy. (05-OC-41)

10. A motion to support the USCG Auxiliary’s request to reduce the selling price of the ABC manual and CD-ROM, which is sold by ABC Central to USPS and the USCGAux, to $3 per set. (05-OC-42)

11. A motion that the price of the ABC course materials to squadrons be reduced from $17.50 to $15, which corresponds with the selling price to squadrons for the Boat Smart course. (05-OC-43)