The Operating Committee of United States Power Squadrons met on 8 - 9 June 2007 at the national headquarters in Raleigh, N.C.

Members present:

- C/C Ernest G. Marshburn, SN
- V/C Creighton C. Maynard Jr., SN
- V/C Dick Kyle, SN
- V/C Frank A. Dvorak, SN
- V/C Robert A. Baldridge, SN
- V/C Joseph R. Mesenburg, SN
- R/C Allan W. Lakin, SN
- R/C Anthony J. Aquilato, SN
- R/C Noel K. McKeown, SN
- R/C Michael J. Horowitz, JN
- R/C Robert A. Green, N
- R/C William M. Bellinger, SN

Guests present:

- N/F/Lt Jamie McCurry, AP
- Mary Catherine Berube

**Report of the Chief Commander**

C/C Ernest G. Marshburn, SN, called the meeting to order at 0830, and N/F/Lt Jamie McCurry, AP, gave the invocation.

C/C Marshburn reported that he appointed an ad hoc committee to study timing problems and streamlining of national meetings.
The chief reported that he would send a letter and certificate to National Commodore Steve Budar congratulating the United States Coast Guard Auxiliary on the 60th anniversary of the Vessel Safety Check Program.


C/C Marshburn invited V/C Dick Kyle, SN, to update the OCom on educational revitalization. V/C Kyle reported that the Educational Department hopes to increase member involvement and retention by enticing students through updating current offerings and developing new courses and seminars. He said the department wants to be an economic engine for USPS by adding more products, increasing profit margins through trimming costs and increasing prices, and tightening inventory investment. The department is also preparing material for a public audience.

V/C Kyle noted that Boating Courses sales were down by more than 15 percent from last year due to poor promotion. He said USPS must promote seminars because they are profitable. He reported that the aggregate rate of sales for six months is on track toward the 12,000 units forecasted a year ago. The department will be adding 10 more seminars this year.

He said that USPS had sold about three times as many updated Seamanship, Junior Navigation and Engine Maintenance courses as compared with sales of the old courses last year.

He said that inventory dollars showed a 26 percent drop over a year ago at the same time that USPS has added many new products.

The national educational officer said the department was making progress with USPS
University and the Boat Operator Certification program, having created a detailed launch plan and certification manual. The department has executed an MOU with US Sailing for on-the-water skills training. He added that the first list of regional certifiers had been identified.

He then updated the OCom on the Boater Certification program. He said Inland Certification was ready pending insurance coverage, Coastal Certification was planned for fall 2007 or early 2008, and Marine Electronics had three new courses in the works.

He concluded his presentation by reporting that an educational membership category is under consideration for a vote at the 2007 Governing Board Meeting. After discussion, the Operating Committee decided to further review the issue and postpone the vote until the 2008 Annual Meeting in Dallas.

During V/C Kyle’s discussion on educational issues, the following issues were raised by OCom:

- Need for additional instructors,
- Motivation at squadron level,
- Squadron marketing and promotion,
- Few classes held during boating season,
- USPS product no longer distinctive,
- Availability of course materials,
- Marketing program to recruit more teachers,
- Enhance recognition/compensation for instructors,
- Collaboration with universities/colleges,
- Follow-through on implementation of ideas at the local level,
- Need for oversight and assessment of squadron results,
- Better communication between DEO (national leadership and squadron educational personnel),
- Externalizing educational program to the public,
• Target the courses by region/area; and
• Competition and price.

The following suggestions were offered in response to the educational issues identified:
• Focus on the train-the-trainer program,
• Define dollars spent and what’s being done to market educational program,
• Send a letter to squadrons from the chief commander and national educational officer requesting that squadrons teach more courses,
• Modernize Boating Course materials and focus on when squadrons teach courses,
• Create recognition levels for teaching similar to those offered by athletic boosters,
• Identify university to pilot test the Boating Course and seminars,
• Create regional zones and establish quarterly teleconference calls facilitated by district and national leaders; and
• Develop and implement market analysis focusing on a) competition, b) frequency of boating courses taught and price by region, and c) price charged by competition and USPS.

C/C Marshburn invited V/C Frank A. Dvorak, SN, to lead a discussion on membership issues. The following issues were raised by OCom:

• Decline in recruiting new members,
• Decline in member retention,
• Member benefits,
• Recruiting experienced boaters,
• Develop recognition programs; and
• Leadership.

The following suggestions were offered in response to membership issues identified:
- Letter from chief commander and NEO and follow-up phone call to squadrons that are not teaching the Boating Course,
- Membership Committee push to bring in family members,
- Encourage squadrons to provide name tags for Boating course students,
- Encourage squadrons to give a dues discount to Boating course students who join immediately following the exam; and
- Update the new member kit.

C/C Marshburn assigned the following items to OCom:

- Task Marketing and Public Relations Committee with developing a membership recruitment assessment to be presented at the 2007 Governing Board Meeting in Norfolk,
- Form ad hoc committee on Membership Recruitment marketing plan to expense funds identified by national treasurer,
- Task national treasurer to identify funds for national membership recruitment marketing,
- Task MemCom with developing a retention strategy and developing an action plan for effectively disseminating that plan at the local level,
- Task national secretary and headquarters to develop an action plan for new marketing position; and
- Implement corporate membership, with a goal of at least 10 corporate members, but not less than five, by the 2008 Annual Meeting.

Report of the National Executive Officer

V/C Creighton C. Maynard Jr., SN, reported that he received a request to grant provisional squadron status from a group in the San Diego South Bay south covering the region extending to Ensenada, Mexico, east to the Arizona border and west to the Pacific Ocean. The OCom ADOPTED a motion to grant provisional squadron status to South Bay Provisional Squadron and to assign it to District 28 for administrative purposes. (2007-OC-32)
V/C Maynard reported that Fairhope Power Squadron/15 and Oakland Sail and Power Squadron are dissolving.

The National Meetings Committee announced the following national meetings schedule:

4 - 7 Sept. 2007  Governing Board - Norfolk, Va.
17 - 25 Feb. 2008  Annual Meeting - Dallas
3 - 8 Sept. 2008  Governing Board - Detroit
6 - 9 Sept. 2009  Governing Board, Kansas City, Mo.

V/C Maynard reported that the Government and Partner Relations Committee had reinstated the liaison function as part of the committee’s responsibilities. The committee proposed assigning homeland security responsibilities to the liaison officer. The committee is developing a memorandum of understanding with the Marine Retailers Association of America and the Florida Department of Environmental Protection.

The Squadron Development Committee reported that three provisional squadrons are in the chartering process: Colonial Provisional Squadron/5, The Valley Sail and Power Squadron/13 and Kankakee Valley/20.

The Recreational Boating Safety Committee reported that results from squadron Boating classes held during the 2007 National Safe Boating Week will be reported in the squadron safety officers’ fall 2007 reports. The committee reported that information on personal flotation device showboards was distributed to all districts.

The Cooperative Charting Committee reported that the Membership Committee plans to send membership information to nonmembers who visit The Boating Guide to America website.

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The Vessel Safety Check Committee reported that as of 30 April 2007 there were approximately 300 more certified vessel examiners than one year ago.

The USPS Environmental Committee reported receiving 55,200 copies of the Environmental Best Practices for Boaters brochure, which will be distributed to squadrons. Publishing and distribution costs will be funded by an Educational Fund grant.

In September 2007 the Environmental Committee will partner with The Ocean Conservancy on the International Coastal Cleanup campaign. The Ocean Conservancy will sponsor an Expo booth and The Environmental Committee will present a Global Warming Seminar at the 2007 Governing Board Meeting in Norfolk, Va.

**Report of the National Educational Officer**

V/C Dick Kyle, SN, reported that the Educational Department is working with the Law Committee to secure insurance coverage for on-the-water instruction.

The national educational officer reported that US Sailing requested permission to teach USPS navigation courses to its students.

He reported that Maptech will co-sponsor the Chart Seminar during the 2007 Governing Board Meeting in Norfolk, Va.

V/C Kyle reported that West Marine has carried an outstanding account balance for more than three years. Attempts to collect the funds have been unsuccessful. The OCom ADOPTED a motion to write off the $928.62 outstanding account balance from West Marine. (2007-OC-33)
Report of the National Administrative Officer

V/C Frank A. Dvorak, SN, reported that the United States Coast Guard Auxiliary agreed to send a letter on behalf of USPS to Auxiliarists who chose not to continue their membership due to a security check requirement. These individuals can visit www.usps.org/php/membership/uscgaux.php to sign up and receive squadron contact information. V/C Dvorak made a motion to spend up to $800 of Century Fund earnings to cover the distribution costs for sending a letter to former USCG Auxiliarists encouraging them to join USPS. The OCom ADOPTED the motion.(2007-OC-34)

V/C Dvorak presented a response to the District 21 resolution calling for USPS to open the boat insurance program to quotations and negotiations from qualified brokerage firms and property and casualty carriers or establish a fund similar to the Educational Fund that could be used to offset or help underwrite claims incurred by members. Following discussion, the OCom ADOPTED a motion to recommend that the Governing Board vote no on the District 21 resolution at the 2007 Governing Board in Norfolk, Va. (2007-OC-35)

V/C Dvorak reported that the Auxiliary Advisory Committee is updating the Auxiliary Directory.

The Leadership Development Committee will present the seminar “The True Essence of Leadership” during the 2007 Governing Board in Norfolk, Va. The committee is updating the District Job Description and Squadron Job Description manuals.

The Member Benefits Committee is working with the Secretary’s Department to develop a Ship’s Store discount coupon for former members who renew. The committee plans to renew an agreement with Soundings Magazine in which USPS members can purchase the magazine at a discounted rate.
The Membership Committee has been responding to questions from districts and squadrons about the new family unit dues structure. The committee reported receiving a $195,000 grant from the United States Coast Guard for WaterSmart from the Start Phase III. The grant will fund production and distribution costs for the manual and the DVD.

The Membership Committee reported receiving a pledge from Superior Metal Products to fund the Youth Poster Contest. The contest will be named the Boarman USPS National Youth Poster Contest.


V/C Dvorak reported a balance of $1,060,000 in the Century Fund.

Report of the National Secretary

V/C Robert A. Baldridge, SN, stated that 32,792 members were mailed 2008 anniversary billing dues notices in April 2007. He reported that 21,679, or 66 percent, of those members had renewed as of 31 May 2007, as compared to 62 percent one year ago. He noted that reminder notices were mailed the first week of June. He reported that 43 family unit dues coupons had been remitted to headquarters as of 4 June.

V/C Baldridge requested that departments and committee chairmen submit feedback to R/C Dave Hinders, SN, on the proposed Communications Strategy, which can be found at www.usps.org/national/natsec/communications/comm_plan.pps.
The national secretary reported that R/C Hinders established “rotating” and “fixed” sections on the USPS website. Items on the rotating section circulate every fourth day. Items on the fixed section can be seasonal issues, such as upcoming Governing Board meetings, or permanent issues, such as “Take a Class.”

V/C Baldridge encouraged national committees to promote their projects and ideas on USPS-News at www.usps.org/national/natsec/pubcom/editresource.html and through Compass, the USPS electronic newsletter.

V/C Baldridge reported that e-mails were sent to 89 of the 107 commanders of squadrons not participating in HQAB to solicit their comments and encourage them to join HQAB. Those who did not have email addresses were sent letters.

The Ensign Committee and staff announced The Best of USPS photo contest, which is open to both amateur and professional photographers. A complete list of contest rules can be found in the “Contest Rules” gallery at http://usps.smugmug.com.

The Information Technology Committee reported that the updated version of DB2000 is Vista-compliant. The committee is testing Skype for Internet conferencing.

The Operations Manual Committee is working on minor updates to the CD-ROM for district and squadron commander kits.

The Ship’s Store Committee reported that squadrons and districts had earned $2,072 in rebates from Ship’s Store sales as of 4 June.

The Flag & Etiquette Committee is working on requests from districts and squadrons to add 50-year gold borders to flags and burgees.
Report of the National Treasurer

V/C Joseph R. Mesenburg, SN, reported that as of 31 May 2007 operating revenues exceeded operating expenses by $177,469. He reported that as of 31 May 2007 dues and fees revenue, The Ensign and other revenue was $744,000 versus $876,00 one year ago.

V/C Mesenburg updated the OCom on the status of the e-commerce project. He reported that Lt Ken Moon, S, and Sue Moon, P, signed the E-Commerce Operating Agreement. V/C Mesenburg stated that the Law Committee had reviewed the E-Commerce Operating Agreement and moved that the Operating Committee accept the agreement as presented. The OCom ADOPTED a motion to execute the E-Commerce Operating Agreement. (2007-OC-36)

R/C Noel McKeown, SN, national law officer, reported that a limited liability company is being established to handle the day-to-day business operations of the e-commerce enterprise. He reported that an Ohio for-profit corporation, USPS-EC Holdings Inc., is being established to act as a member of the LLC and to regulate the flow of e-commerce income from the LLC into USPS.

Following discussion, the OCom ADOPTED a motion authorizing the formation of a wholly owned subsidiary corporation USPS-EC Holdings Inc., for the purpose of conducting business as appropriate to establish an e-commerce enterprise. (2007-OC-37)

The OCom then ADOPTED a motion authorizing V/C Joe Mesenburg, SN, to sign as an officer of USPS all necessary documents to implement the formation of the USPS-EC Holdings Inc., and for USPS-EC LLC. (2007-OC-38)

The national treasurer presented the 2008 budget. The OCom ADOPTED a motion to recommend that the Governing Board approve the 2008 budget as presented. (2007-OC-39)
V/C Mesenburg reported that compensation for the chief commander’s representatives attending the 2007 fall district conferences was suspended due to budget restraints. He noted that this was creating an undue financial burden, and that he had subsequently reviewed the suspension. In response to budget restraints, V/C Mesenburg recommended reimbursing the chief commander’s representatives only 35 percent of their travel and lodging expenses for the 2007 fall district conferences. The OCom ADOPTED the motion. (2007-OC-40)

Report of the Finance Committee

R/C Michael Horowitz, JN, reported that the total investments under the management of the Finance Committee were $3,081,598.18 as of 30 April 2007. These investments are divided into three major portfolios.

R/C Horowitz reported that the USPS investment portfolio totaled $1,010,466.58 as of 30 April 2007. He reported that $40,000 from the Shultz-Cardoza Trust is being held in reserve to fund expenses for the headquarters manager of marketing and development. Mutual fund holdings totaled $734,537.39, $200,000 was invested in certificates of deposit, and the balance of $55,829.19 was invested in a money market account. R/C Horowitz reported that the total investment return as of 30 April 2007 was $51,541.04, or 7.55 percent.

R/C Horowitz reported that the balance in the Endowment Fund was $1,059,364.30 as of 30 April 2007. He reported that $30,000 was received from the Shultz-Cardoza Trust and was deposited in the Endowment Fund money market account. The fund’s asset allocation was $281,930.13 invested in three mutual funds, $679,000 invested in seven certificates of deposit and a balance of $98,434.17 in a money market fund. The total investment return as of 30 April 2007 was $14,489.51, or 5.42 percent.
The district and squadron funds totaled $1,011,767.30 as of 30 April 2007. These funds are invested in 10 certificates of deposit totaling $975,010.71 with staggered maturity dates and money market funds totaling $36,756.65.

R/C Horowitz reported that as of 30 April 2007 the financial alarm test was $2,728,656, or $271,344 below the $3 million control limit.

He reported that the Finance Committee approved the Operating Committee’s request for funds up to $10,000 for repairing the headquarters roof.

R/C Anthony J. Aquilato, SN, a general contractor, reported that he met with two roofing contractors concerning the USPS headquarters roof. The contractors will submit bids to replace the roof, and R/C Aquilato will report back to OCom.

Report of the Committee on Rules

R/C Allan Lakin, SN, reported that the Committee on Rules prepared an interim report on amendments to the USPS Bylaws regarding national leadership restructuring that was distributed via e-mail to Governing Board members. Those who did not have e-mail were mailed a copy.

R/C Lakin moved that the OCom accept the interim report of the Committee on Rules and prepare for a vote on governance amendments at the 2007 Governing Board Meeting in Norfolk, Va. The Operating Committee ADOPTED this motion. (2007-OC-41)

R/C Lakin reported that the Committee on Rules is preparing amendments to the USPS Bylaws to authorize corporate and student memberships.
Report of the Committee on Nominations

R/C Anthony J. Aquilato, SN, reported that the Committee on Nominations is scheduling interviews during the 2007 Governing Board Meeting in Norfolk, Va.

Report of the National Law Officer

R/C Noel McKeown, SN, reported that LawCom is conducting a comprehensive review of USPS insurance coverage. He reported that the USPS insurance policy will cover a wholly owned corporate subsidiary for 90 days. Consequently, he said it is necessary to provide separate insurance policies for USPS-EC LLC and USPS-EC Holdings Inc.

R/C McKeown expressed concern regarding possible infringement of trademark registrations for using the name “Compass” for the USPS e-newsletter. The OCom ADOPTED a motion requesting Finance Committee approval to spend up to $400 to investigate trademark registration to use the name “Compass” for the USPS e-newsletter. (2007-OC-42)

The national law officer reported that an affidavit for extension of time for the Water Smart from the Start trademark was filed with the United States Patent and Trademark Office. He reported that an affidavit must be filed by 16 Oct. 2007 for the continued use of the United States Power Squadrons and Design trademark and The Squadron and Design trademark.

Report of the Planning Committee

R/C Bill Bellinger, SN, reported that the District Planning Network has improved communications with districts. He reported that 22 districts responded to a recent message sent via the network.
R/C Bellinger reported that the first Leadership Development “train-the-trainer” workshop was held in Chicago on 1 - 3 June 2007. He reported that the first regional training session is scheduled for 22 - 23 Sept. 2007.

The OCom discussed a draft document on USPS Corporate Membership. The Planning Committee will review proposed changes and R/C Bellinger will report back to OCom during the Governing Board Meeting in Norfolk, Va.

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

R/C Robert A. Green, N, reported on a proposal to create an online magazine that will be offered to USPS and Canadian Power & Sail Squadron members as well as to boating course students. The magazine would be published by an outside vendor, and USPS and CPS would contribute content. R/C Green will invite the vendor to meet with the OCom at its meeting during the 2007 Governing Board in Norfolk, Va., to discuss the proposal.

R/C Green reported that the Marketing and Public Relations Committee is focusing on press releases, the Norfolk Governing Board Expo and USPS civic service road signs.

C/C Marshburn adjourned the meeting at 1605.

V/C Robert A. Baldridge, SN
National Secretary
Action Items
Operating Committee
8 and 9 June 2007

1. A motion to grant provisional squadron status to South Bay Provisional Squadron and to assign it to District 28 for administrative purposes. (2007-OC-32)

2. A motion to write off the $928.62 outstanding account balance from West Marine. (2007-OC-33)

3. A motion to spend up to $800 of Century Fund earnings to cover the distribution costs for sending a letter to former USCG Auxiliarists encouraging them to join USPS. (2007-OC-34)


5. A motion to execute the E-Commerce Operating Agreement. (2007-OC-36)

6. A motion authorizing the formation of a wholly owned subsidiary corporation USPS-EC Holdings Inc., for the purpose of conducting business as appropriate to establish an e-commerce enterprise. (2007-OC-37)

7. A motion authorizing V/C Joe Mesenburg, SN, to sign as an officer of USPS all necessary documents to implement the formation of the USPS-EC Holdings Inc., and for USPS-EC LLC. (2007-OC-38)

8. A motion to recommend that the Governing Board approve the 2008 budget as presented. (2007-OC-39)
9. A motion to reimburse the chief commander’s representatives only 35 percent of their travel and lodging expenses for the 2007 fall district conferences. (2007-OC-40)

10. A motion to accept the interim report of the Committee on Rules and prepare for a vote on governance amendments at the 2007 Governing Board Meeting in Norfolk, Va. (2007-OC-41)

11. A motion requesting Finance Committee approval to spend up to $400 to investigate trademark registration to use the name “Compass” for the USPS e-newsletter. (2007-OC-42)