
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 Joe R. Mesenburg, SN
- P/C/C G. Leslie Johnson, SN
- R/C Alan F. Wentworth, SN
- R/C Shirley Y. Van Rhee, JN
- R/C James D. Richlak, SN
- R/C Michael J. Horowitz, JN
- R/C Darrell G. Allison, AP
- R/C Allan W. Lakin, SN

Guests present:
- P/C/C Raymond A. Finley, SN
- P/C/C L.M. Barnes III, SN
- P/C/C Lance J. Jensen, SN
- Mary Catherine Berube

**Report of the Chief Commander**

C/C Ernest G. Marshburn, SN, called the meeting to order at 0830, and P/C/C G. Leslie Johnson, SN, led the invocation.

C/C Marshburn entertained a motion and the OCom ADOPTED the minutes of the 8 -9 June 2006 OCom meeting. (2006-OC-39)

C/C Marshburn entertained a motion to present a Lifesaving Award to Cdr Russ Kaiser,
P, Sacramento/25 and John Hardin, United States Coast Guard Auxiliary. The OCom ADOPTED the motion. (2006-OC-40)

C/C Marshburn entertained a motion to present a Lifesaving Award to Cdr Dwain L. Rodman, AP, and Lt Michael D. Johnson, S, Virginia Beach/5. The OCom ADOPTED the motion. (2006-OC-41)

**Report of the National Executive Officer**

V/C Creighton C. Maynard Jr., SN, reported that Long Valley/4, Ashtabula/11, Santana/13, River Valley/31 and Little Rock/31 are in the process of dissolving.

V/C Maynard reported receiving a resolution from District 2 that reads as follows:

*Be it resolved, that the Governing Board shall authorize the Chief Commander to make all necessary arrangements to properly celebrated the 25th anniversary of elective membership of women in USPS and the consequent presentation for the first time to women members of a 25th merit mark awarded by the Chief Commander. Such arrangements might include a presentation at the Annual Meeting in 2007 of a commemorative plaque recognizing this event and the historical contributions of women to the mission of USPS and acknowledging the efforts, achievements and leadership of all members regardless of gender; the plaque to be later mounted at a suitable place in the HQ building and The Ensign to publish a photograph or other copy of the plaque for all members to see.*

V/C Maynard stated that subject to Governing Board approval he will assign this resolution to the Operating Committee.

The Government and Partner Relations Committee represented USPS at the International Boating and Water Safety Summit held in Palm Harbor, Fla., from 30 April to 3 May 2006. The committee highlighted USPS University and renewed relationships with recreational boating partners. The committee has updated its website at www.usps.org/national/govprcom.

The Squadron Development Committee is focusing on developing new squadrons and
helping squadrons at risk. The committee reported that since 1 Jan. 2006 Kanawha River Sail/7, Point Wilson Sail/16 and Lake Mohave Sail/28 have been chartered.

The Recreational Boating Safety Committee has contacted the National Oceanic and Atmospheric Administration concerning the status of the NOAA Weather Initiative Memorandum of Agreement.

The Cooperative Charting Committee is seeking funding to continue the geodetic charting program, which is no longer supported by NOAA.

The Vessel Safety Check Committee reported that, as of 7 July 2006, USPS’ 2,308 vessel examiners had performed 13,688 vessel safety checks, which is 1,600 more checks than last year.

The National Meetings Committee continues to visit potential meeting sites. The OCom ADOPTED a motion to recommend that the Governing Board approve a Governing Board Meeting from 6 to 15 Sept. 2009 at the Hyatt Regency Crown Center, Kansas City, Mo., at a rate of $124 per day. (2006-OC-42)

The USPS Environmental Committee submitted a $16,651 grant request to the USPS Educational Fund for the initial printing of the brochure \textit{Environmental Best Practices for Boaters}. Committee members also made a presentation at the District 15 2006 Spring Conference.

\textbf{Report of the National Educational Officer}

V/C Dick Kyle, SN, reported that four seminars, which are components of USPS University, should be available at headquarters by 10 Sept. 2006. Six additional seminars should be available in fall 2006.

V/C Kyle stated that the Governing Board approved USPS University and the Boat Operator Certification Program as the educational direction of USPS at the 2006 Annual Meeting. He said that this approval will provide the flexibility needed to develop programs that will enhance USPS, both internally and externally.
The national educational officer reported that a major element of the USPS University Program is internal and external marketing of the program and its products. The Educational Department will work with the Marketing and Public Relations Committee to develop a USPS University marketing plan focused on expanding public exposure and revenue generation.

V/C Kyle reported that following a conference call with the DEOs concerning suspension of the exam requirement for membership, the Educational Department published a white paper addressing concerns and outlining the reasons for and potential benefits of temporary suspension. He stated that he recommended postponing the vote on the waiver until the 2007 Annual Meeting to allow additional time to explain the benefits and address any misunderstandings.

V/C Kyle reported that he and R/C Bob Sweet, SN, met with representatives from U.S. Sailing to discuss a potential partnership to develop an on-the-water training syllabus.

He reported that USPS will become an issuing agency for the Maritime Mobile Service Identity numbers required for DSC radios. The Federal Communications Commission has allocated a block of 5,000 numbers that will be released to USPS after a Memorandum of Understanding is signed.

V/C Kyle reported that the Educational Department website redesign is complete and is structured in accordance with the guidelines provided by the national website redesign team.

The national educational officer reported that as of 1 Sept. 2006, all squadrons will be required to list boating classes and report completion statistics using the online HQ800 system. He reported that state memorandums of understanding require notification of boating classes and completion results by all squadrons, and the online system will provide one central reporting location. The online system will help ensure that all public classes are visible on the USPS, BoatU.S. and state websites.

V/C Kyle reported on the status of new and updated courses. Seamanship and Junior Navigation will be ready for beta testing in September 2006. The rewrite of Engine Maintenance will be available in late fall 2006. Seamanship and Engine Maintenance will no longer be module courses. Current module exams will be kept for one year after the implementation of the new courses.
V/C Kyle recommended and the OCom ADOPTED a motion to register the USPS University trademark. (2006-OC-43)

**Report of the National Administrative Officer**

V/C Frank A. Dvorak, SN, reported that 1,583 copies of the USPS cookbook *By Land or by Sea* have been sold to date and 1,737 remain in inventory. Cases of 12 can be purchased at $18 per copy; cases of six can be purchased at $19 per copy; and individual copies can be purchased at $25.

The Leadership Development Committee has developed the second in a series of leadership seminars titled *Ten Ways to Get the Best Out of Your Squadron*. This seminar will be available for presentation at the 2006 fall district conferences. The committee is revising the *District Job Descriptions* and *Squadron Job Descriptions* manuals.

The Member Benefits Committee reported that the chief signed an agreement with Boater’s World in which members receive a 5 percent discount for online purchases and USPS receives a 2 percent rebate on those purchases. Boater’s World has also agreed to promote USPS University and provide classroom space at its stores.

V/C Dvorak reported that the decision by St. Paul Insurance Co. to cancel boat insurance policies for boats older than 10 years, or more than $100,000 in value in the Gulf region from Florida to Texas and along the southeastern Atlantic coast has caused a great deal of concern. There are 954 members with policies from St. Paul who reside in the areas that are affected. He reported that Zurich Insurance has agreed to insure boats for those members residing in the Gulf Coast states, except Florida. Representatives from McGriff, Seibels and Williams will continue to seek coverage for members in Florida.

The national administrative officer reported that he would accompany members of the Membership Committee and Sea Vester on a visit to The Children’s Hospital at Montefiore in New York.

The Membership Committee reported that national membership representatives in each
district are responsible for sharing national ideas and initiatives with their district and squadrons. The reps will also report squadron activities to the national Membership Committee.

V/C Dvorak explained that the expanded role of communications between national, districts and squadrons necessitates creating a leadership position on the Membership Committee. The OCom ADOPTED a motion to approve a third staff commander position for the Membership Committee. (2006-OC-44)

The national administrative officer reported that the Power of One Program was scheduled to end on 30 Sept. 2006. Squadrons that experienced a 25 percent growth from 1 Oct. 2005 through 30 Sept. 2006 will be recognized at the 2007 Annual Meeting. He reported that the committee requested that the program be continued through 30 Sept. 2007. The OCom ADOPTED a motion to continue the Power of One Program through 30 Sept. 2007. (2006-OC-45)

V/C Dvorak reported that the computer game WaterSmart from the Start received the National Association of State Boating Law Administrator’s Seal of Safe Boating Practices. While it is not an approved course, NASBLA believes that the program benefits boating safety.

The Squadron Activities Committee reported that the port captains database contains 510 USPS and 17 Canadian Power and Sail Squadrons port captains. The amateur radio database contains 368 USPS and 93 CPS amateur radio operators. The committee reported that one staff commander position should be eliminated due to insufficient work. The OCom ADOPTED a motion to eliminate one staff commander position on the Squadron Activities Committee, effective January 2007. (2006-OC-46)

Report of the National Secretary

V/C Robert A. Baldridge, SN, reported that headquarters mailed 16,103 traditional and 33,366 headquarters anniversary billing 2007 dues invoices. He reported that both dues collection methods produced an identical 81 percent renewal rate. Seventeen percent of members in headquarters anniversary billing renewed with a credit card. He reminded the committee that several thousand members now have anniversary dates other than 1 June, which means that these members will receive their renewal notices throughout the year. He said that squadrons should
check their member status reports regularly to ensure that these members are contacted and personally asked to renew. Status reports are available online at www.usps.org/dues/reports. As of 17 July, $760,749 was distributed to districts, squadrons, the Educational Fund, and the Century Fund through headquarters anniversary billing renewals and new member vouchers.

V/C Baldridge reported that staff had been reduced at headquarters. He emphasized the need for squadrons to submit orders 30 days in advance to ensure timely receipt.

THE ENSIGN Committee is assisting with the electronic magazine. The committee and THE ENSIGN staff recently completed a readership survey. Survey results will be used to help redesign the magazine and develop a new USPS electronic publication. Survey results can be found at www.theensign.org/feature.htm.

The Information Technology Committee is creating a program for electronic merit mark submission. A beta version of the program will be tested by select districts and departments this fall with the goal of launching a final version in 2007. The committee continues integrating the Ship’s Store website with headquarters’ systems and developing a new server.

The Operations Manual Committee is working on minor revisions to the manual.

The new Ship’s Store website is available at www.shopusps.org. V/C Baldridge reported that beginning in January 2007, when a member places an order online or by phone, 5 percent of the sale will be shared between the member’s squadron and district.

The Publications Committee is experimenting with a newsletter editor weblog as a way to distribute content to squadron editors.

The Historians Committee has reviewed 270 historical documents in 2006. Updated squadron and district history report forms are available on the committee’s website at www.usps.org/national/historian. The committee has a new research project on USPS’ involvement in World War II.
Report of the National Treasurer

V/C Joe R. Mesenburg, SN, reported that as of 31 July 2006, current assets were approximately $110,000 less than one year ago. Dues and fees were $16,156 higher than one year ago, net educational sales were approximately the same as one year ago, and net Ship’s Store sales were down approximately $30,000 from one year ago. He reported that headquarters expenses were down $55,136 from one year ago. THE ENSIGN expenses were down $21,491 from one year ago.

The national treasurer reported that Chase Bank could not provide the details needed to support the credit card revenue-sharing program as approved by the OCom on 7 Sept. 2005. V/C Mesenburg recommended and the OCom ADOPTED a motion to rescind the OCom action on 7 Sept. 2005 and continue the revenue-sharing program as in the past on a percentage formula of 50 percent to squadrons, 5 percent to districts and 45 percent to national. (2006-OC-47) This percentage will apply to both the 0.5 percent net sales commission received from Chase and the $75 new account rebate.

V/C Mesenburg discussed a proposal that would create a USPS internet commerce site where members could advertise, sell, or auction items and services. The Law Committee will study the proposal and report back to the OCom.

Report of the Finance Committee

R/C Michael J. Horowitz, JN, reported that the investments under the management of the Finance Committee totaled $2,811,022.07 as of 31 July 2006. He stated that the USPS investment portfolio had been affected by increased market volatility during June and July. He reported that unrestricted investments totaled $841,980.82 as of 30 June and that liquid assets continue to be dangerously low. He reported that the target asset allocation mix is 75 percent equity and 25 percent fixed income investments. The total investment return for seven months was a gain of $13,183.45, at a rate of return of 1.55 percent. He said that $200,000 was transferred from the investment portfolio to the headquarters checking account in January and March 2006.

The Endowment Fund was valued at $922,868.88 as of 30 July 2006. The assets were
invested as follows: $242,069.59 in three mutual funds, $399,000 in four certificates of deposit, and a balance of $281,799.29 in a money market fund. R/C Horowitz reported that the investment performance was flat to date, with a return of $75.15, or 0.03 percent. The target asset allocation mix is 35 percent equity and 65 percent fixed income investments. He stated that the fund had received a number of pledges that were not included in these figures. The primary goal of the Century Fund is to raise a $10 million dollar endowment by the end of USPS’100th anniversary in 2014.

R/C Horowitz reported that the district and squadron funds totaled $1,031,126.85 as of 31 July 2006. These funds are invested in 10 certificates of deposit, totaling $975,000 with staggered maturity dates, and in money market funds totaling $56,221.34. Fifteen districts and 50 squadrons have funds invested through the Finance Committee. He stated that this investment management service is available to all districts and squadrons and that the ability to pool dollars enables purchasing jumbo certificates of deposit at the highest interest rates available. In addition, staggered maturity dates provide some protection against fluctuating interest rates.

R/C Horowitz reported that the financial alarm test totaled $2,464,172 at the end of FY2005, which was $535,828 below the control limit of $3,000,000. He reported that, due to seasonal factors, the total improved to $2,567,935 as of 30 June 2006, which is still $432,065 below the control limit. He said that the Operating Committee continues to investigate ways to reduce expenses as a means of increasing the undesignated, unrestricted funds to the control limit on an ongoing basis. He noted that the financial health of USPS as measured by the level of undesignated, unrestricted funds remains a serious concern.

R/C Horowitz reported that he would ask the Governing Board to approve the second in a series of five dues increases, the 2007 budget and an increase from $10 to $25 for the new member entrance fee.

He reported that some expenses were incurred to distribute Century Fund solicitation letters. The OCom ADOPTED a motion to approve a $907 appropriation from Century Fund earnings to distribute solicitation letters. (2006-OC-48)
Report of the Committee on Nominations

R/C Shirley Y. Van Rhee, JN, reported that the online ComNom resume has been enhanced to allow rear commanders and district commanders to search for potential committee members and district officers.

Report of the Committee on Rules

R/C Allan W. Lakin, SN, reported that he would request that the Governing Board assign Kanawha River Sail & Power Squadron to District 7, Point Wilson Sail & Power Squadron to District 16 and Lake Mohave Sail & Power Squadron to District 28.

R/C Lakin stated that ComRules would make the appropriate changes to the District Model Bylaws and the Squadron Model Bylaws if the Governing Board approves the headquarters anniversary bylaws amendments.

He reported that the committee is working on a proposal to create a Chief Commander’s Department.

Report of the Law Officer

R/C James D. Richlak, SN, reported that C/C Marshburn executed an affidavit in support of a motion for summary judgment to dismiss USPS from the lawsuit filed in Nevada. The lawsuit involves a member insured under the St. Paul Boat Insurance Program who named USPS as one of the defendants in a lawsuit involving a boat insurance claim.

R/C Richlak reported that LawCom reviewed the proposed MOU between USPS, the FCC and the United States Coast Guard, in which USPS would become an issuing agency for MMSI numbers.

The national law officer reported receipt of a letter from Union Bank of California as Trustee of the Shultz-Cardoza Trust stating that USPS is named as a beneficiary in the trust. Subsequently, R/C Richlak requested and received a copy of the trust, and he will sign an acknowledgment.
R/C Richlak reported that the USPS trademark was approved by the United States Patent and Trademark Office and is in effect until 28 March 2012, at which time an affidavit for continued use must be filed.

**Report of the Planning Committee**

R/C Alan Wentworth, SN, reported that the Planning Committee had reviewed the USPS Strategic Plan and the strategic goals. He stated that revisions to the goals for government and partner relations and awareness were approved by OCom at its June 2006 meeting. The committee is completing work on the remaining two goals relating to communications and leadership.

R/C Wentworth reported that the USPS Vision Statement adopted by the OCom at its March 2006 meeting was posted on the Planning Committee’s website.

The Planning Committee is discussing the USPS Bylaws structure and the way that USPS is governed. R/C Wentworth noted that recent struggles with membership declines and financial shortfalls have underscored the need for change.

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

R/C Darrell Allison, AP, reported that the *This is USPS* brochure is out of stock. The OCom ADOPTED a motion to recommend that the Governing Board authorize producing 50,000 copies of the brochure *This is USPS* at a cost of $5,293. (2006-OC-49)

R/C Allison reported that the *PRO Manual* is out of stock. The committee is updating the manual and plans to produce copies on CD-ROM and to post it on the committee’s website.

He reported that nine districts and 27 squadrons requested Cooperative Advertising funds totaling $4,406 as of the 31 July 2006 deadline.

R/C Allison reported the publication of several press releases, public service announcements and articles including an article in the *Boston Whaler* featuring children’s safety; articles in the USCG *Waypoints* electronic newsletter, *Great Lakes Boating* and *The Log*.
featuring USPS University; and an article in *Arizona Boating and Watersports* on the USPS 2006 Fall Tri-District Conference.

He reported that several publications, including *Trailer Boats*, *Lakeland Boating*, *Dockside*, *Santana*, *The Log*, and *48 Degrees North*, and the Tacoma Boat Show promoted the 2006 National Safe Boating Week boating class campaign.

R/C Allison reported that Tres Rios/13 members will teach the Boat Smart class to *Trailer Boats*, *Bass* and *Walleye* magazine staffers.

R/C Allison reported that the Marketing and Public Relations Committee is developing a MOU between USPS and the International Order of the Blue Gavel.

R/C Allison reported that the 2005 Public Relations Awards would be presented during the 2006 Governing Board Meeting.

**Report of the Past Chief Commander**

P/C/C G. Leslie Johnson, SN, reported that BoatU.S. offers grants up to $4,000, and the deadline is 1 Nov. 2006. Additional information is available at www.boatus.com/foundation/Grants/apply.

C/C Marshburn adjourned the meeting at 1210.
ACTION ITEMS
Operating Committee
16 August 2006

APPROVED

1) A motion to approve the minutes of the 8-9 June 2006 OCom meeting. (2006-OC-39)

2) A motion to approve a Lifesaving Award for Cdr Russ Kaiser, P, Sacramento/25 and John Hardin, USCG Auxiliary. (2006-OC-40)

3) A motion to approve a Lifesaving Award for Cdr Dwain L. Rodman, AP, and Lt Michael Johnson, S, Virginia Beach/5. (2006-OC-41)

4) A motion to recommend that the Governing Board approve a Governing Board Meeting at the Hyatt Regency Crown Center, Kansas City, Mo., from 6 to 15 Sept. 2009, at a rate of $124 per day. (2006-OC-42)

5) A motion to register the USPS University trademark. (2006-OC-43)

6) A motion to approve a third staff commander position for the Membership Committee. (2006-OC-44)

7) A motion to continue the Power of One Program through 30 Sept. 2007. (2006-OC-45)

8) A motion to eliminate one staff commander position on the Squadron Activities Committee, effective January 2007. (2006-OC-46)

9) A motion to rescind the OCom action on 7 Sept. 2005 to adopt a new revenue-sharing program for the Chase Bank affinity credit card program. The revenue-sharing program will continue as in the past based on a percentage formula of 50 percent to squadrons, 5 percent to districts and 45 percent to national. (2006-OC-47)
10) A motion to approve a $907 appropriation from Century Fund earnings to distribute Century Fund solicitation letters. (2006-OC-48)

11) A motion recommending that the Governing Board authorize producing 50,000 copies of the brochure *This is USPS* at a cost of $5,293. (2006-OC-49)