The Operating Committee of United States Power Squadrons met on 3 Sept. 2003 and for subsequent meetings held on 4 - 6 Sept. 2003 at the Reno Hilton Hotel, Reno, Nev.

Members present:

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

Guests present:

P/C/C Harold E. Spoelstra, SN
P/C/C Gillette E. Gordon, SN
Mary Catherine Berube
P/C/C L.M. Barnes III, SN
P/C/C Arthur H. Farr, SN
P/R/C Creighton C. Maynard Sr., JN

Stf/C Alan F. Wentworth, SN, was also present as the assistant chairman of the Planning Committee because of the excused absence of R/C Roby Schottke, SN.

Report of the Chief Commander

C/C Smith called the meeting to order at 0840 and led the invocation.

C/C Smith announced that, hearing no objections, the minutes of the 14 June 2003 Operating Committee Meeting were approved as distributed.
C/C Smith reported that the Operating Committee, using electronic means between OCom meetings approved the acceptance of 10,000 discount coupons from West Marine to be included with the Onboard Safety Equipment video at no cost to USPS. (09-OC-65) He also reported that the Operating Committee, using electronic means between OCom meetings, approved provisional squadron status for Point Wilson Power Squadron and assigned it to District 16 for administrative purposes. (09-OC-66) He also reported that the Operating Committee, using electronic means between OCom meetings, approved an honorary membership for Rear Adm. Sally Brice-O’Hara, United States Coast Guard. (09-OC-67)

The OCom ADOPTED a motion entertained by C/C Smith to join the International Lifeboat Federation. (09-OC-68)

The OCom discussed boat operator certification in Europe, which requires greater education than in the U.S. The OCom agreed to look into becoming a U.S. provider of international boating competency certificates. The chief entertained a motion to accept a resolution to encourage the United States Coast Guard to pursue acceptance of UN Resolution No. 40 and for USPS to develop the necessary additional educational programs to comply with the UN Resolution. (09-OC-69)

C/C Smith entertained a motion to hold the November Operating Committee Meeting in Sebastian Inlet, Fla., and the OCom ADOPTED the motion. (09-OC-70)

The chief reminded all that were present that the 2004 Annual Meeting in January will be a day longer, the same as all other future national meetings. The Operating Committee Meeting is scheduled for Tuesday, 13 January 2004.

**Report of the National Executive Officer**

V/C G. Leslie Johnson, SN, reported on Squadron Development Committee activities. Five squadrons have dissolved or merged since May 2002: Warren/9, Mississippi Coast/15, Feather River/25, Montezuma/25 and Pine Bluff/31. These five squadrons had a total of 169 active members. Six new squadrons have formed during the same time period: Tip of the Mitt/9, Skagit Bay/16, Omaha/30, Albemarle/27, River Valley/31 and St. Helens/32.
The committee reported that 128 squadrons grew their membership by 3 percent or more from 31 May 2002 through 31 May 2003. Twenty-eight other squadrons grew, but by less than 3 percent and 14 squadrons held steady.

V/C Johnson reported that State Farm Insurance has agreed to underwrite the cost of vessel safety check decals for the next 5 years.

The national executive officer reported that, in the near future, USPS will participate in the United States Coast Guard Auxiliary’s Marine Dealer Visitation Program, which allows members to visit marine dealers to review boat safety issues. The program name will be changed to the Recreational Boating Safety Visitation Program.

The Cooperative Charting Committee reported receipt of nine nominees for the 2004 Golden Eagle Award. The nominees are from districts 6, 8, 14, 15, 17, 21, 22, 27 and 33; the winner will be announced at the 2004 Annual Meeting. The committee reported that the new CCWEB reporting software has been well-received.

The Legislative Committee is working with the ad hoc National Government Relations Committee in an effort to coordinate committee activities. The Legislative Committee continues to identify state boating law administrators and make new assignments when necessary.

V/C Johnson encouraged districts and squadrons to participate in 90th anniversary activities in 2004 and to hold programs that commemorate this anniversary and USPS’ contributions to boating safety. The 90th Anniversary Committee and the Marketing and Public Relations Committee have plans to promote USPS with its sponsors and partners to show the importance of USPS in boating education and safety issues during the past 90 years.

V/C Johnson indicated that he will ask the Governing Board to approve the dissolution of Chautauqua Power Squadron/6 and to allow the members to merge with Kinzua Power Squadron/11.

V/C Johnson announced that 10 districts received the 2003 Bowsprit Award: 1, 3, 4, 6, 9, 17, 26, 29, 30 and 33.

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V/C Johnson reported that a group from Florida’s Upper Keys had met all requirements for provisional squadron status. The OCom ADOPTED a motion to approve provisional squadron status for Upper Keys Provisional Squadron and to assign it to District 8 for administrative purposes. (09-OC-71) V/C Johnson reported that a group from northern Arizona also had met all requirements for provisional-squadron status. The OCom ADOPTED a motion to approve provisional-squadron status for Northern Arizona Provisional Squadron and to assign it to District 28 for administrative purposes. (09-OC-72)

Report of the National Educational Officer

V/C Spencer P. Anderson, SN, reported that advanced grade and elective course completions for the educational year 1 July 2002 through 30 June 2003 as compared to 1 July 2001 through 30 June 2002 showed a 4.8-percent decrease. The percentage of participants decreased from 13.95 percent in 2002 to 13.42 percent in 2003.

The national educational officer reported that public course completions for the same time period showed a 5-percent increase in the number of Boat Smart classes; however, class sizes dropped approximately 6.5 percent. He said that even when adding in registrations for America's Boating Course to the totals for The Squadron Boating Course and Boat Smart, the total registrations in the public boating courses decreased approximately 2.7 percent.

V/C Anderson reported that a new link for Paddle Smart has been added to the USPS Web site; it is accessible under the boating safety drop down menu. The site includes information about charts, security, personal flotation devices, navigation rules, weather and electronics and a reference to USPS’ public courses. Long-term plans are to develop pamphlets and eventually learning guides on these subjects for public use.

The OCom ADOPTED a motion to establish the manufacturer’s suggested retail selling price of $11.50 for the GPS learning guide and the selling price to squadrons at $6. (09-OC-73)

The national educational officer reported receipt of NASBLA recertification for the Squadron Boating Course for 2004 to 2006. The approval was received contingent on
coordination with state boating law administrators where the course is offered and that the course includes state-specific information.

V/C Anderson reported that he had reviewed the requirements to receive the Sea Scouts’ rank of Able Seaman and Quartermaster. The OCom ADOPTED a motion that Sea Scouts who have achieved the rank of Able Seaman or the higher rank of Quartermaster as satisfying the USPS’ educational requirement for membership. (09-OC-74)

The national educational officer discussed the Boating Safety for Kids Program. The program, which was originally funded by a BoatU.S. grant, currently consists of a lesson plan with a videotape. He said that it has been recommended to continue this program and to expand it to include teenagers. The OCom ADOPTED a motion to purchase 1,300 copies of the Boating Safety for Kids manual including converting the previous VHS format into DVD format, and to establish an MSRP of $15, plus shipping and handling. (09-OC-75)

**Report of the National Administrative Officer**

V/C Ernie Marshburn, SN, reported that 452 recipes have been submitted for the USPS cookbook, *By Land or By Sea*. The Auxiliary Advisory Committee has received consent from Don Demers, the artist who painted the 85th anniversary print, to use the print’s image on the cookbook’s cover.

The Auxiliary Advisory Committee reported that Cocoa Beach Power Squadron Auxiliary, the Coco-Nauts, had a 25-percent gain in membership in 2002-2003.

The Safe Boating Activities Committee is creating a business plan to reverse the merger of the Boating Activities and Safety committees during the 2004 Annual Meeting. The committee encourages all members to visit its Web site and to use the Port Captain’s Network.

The Flag & Etiquette Committee is working on standard operating procedures for using Sea Scouts as color guards at national meetings.

V/C Marshburn reported on a proposed MOA with the National Safe Boating Council. The MOA involves producing a kids-safety booklet titled *Sidekicks - Go Boating*. The booklets
will be available for squadrons to use with local youth activity programs. A motion was made and
ADOPTED approving the memorandum of agreement with the National Safe Boating Council. (09-OC-76)

The Membership Committee reported that copies of the first edition of the Kids of USPS
screensaver can be obtained by contacting P/C Kathleen Bisogno, AP, at bisognok@hotmail.com.

V/C Marshburn reported that the Membership Committee has produced a flyer about the
BoatU.S. Distinguished Service Award and will be distributing the information to district and
squadron commanders.

Names of the 2003 Growth Award winners, which are squadrons that achieved at least 3
percent growth during the previous membership year, have been forwarded to headquarters.
Certificates will be prepared and presented by the chief commander’s representatives at 2003 fall
district conferences.

V/C Marshburn commended Stf/C Robert A. Green, N, and THE ENSIGN staff for theour-page promotion of the 2003 Fall Governing Board Meeting that appeared in the June issue of
THE ENSIGN. The committee also sent e-mail messages to the 3,780 members who had e-mail
addresses in the USPS Directory of National Officers to remind them of the deadline for reserving
a hotel room for the meeting in Reno, Nev.

The Operations Training Committee continues to explore ways to reach more members
and develop a leadership program specifically for district and squadron officers.

V/C Marshburn reported that the Administrative Department, in collaboration with the
Sea Scouts (Venturing Division of the Boy Scouts of America), proposes the establishment of the
USPS P/C/C Raymond A. Finley Jr., SN, Sea Scout Service Award. This award will recognize
members of USPS who are also youth or adult Sea Scouts and who have provided outstanding
civic, educational and fraternal leadership to both organizations. The OCom ADOPTED a
motion to establish the P/C/C Raymond A. Finley Jr., SN, Sea Scout Service Award. (09-OC-77)
The third edition of *Inside the United States Power Squadrons*, the new Administrative Department newsletter, has been published. Current and back issues of the newsletter can be viewed at www.usps.org/national/aonews.

**Report of the National Secretary**

V/C Frank A. Dvorak, SN, reported that the Secretary’s Department is redesigning the dues invoice to include a section asking about the member’s skills.

THE ENSIGN Committee continues to coordinate advertiser’s lobby table displays at national meetings. THE ENSIGN magazine staff has developed a new Web site; the URL will be www.theensign.org.

The Information Technology Committee attended a meeting at headquarters in mid-August during which a wireless access point was added in the warehouse to assist with the Ship’s Store’s inventory point-of-sale software; a planning session was held to discuss implementing headquarters anniversary billing on a volunteer basis; discussions were held on upgrading computer equipment at headquarters, including upgrades for the IBM AS/400; and higher-level security system for direct access to the AS/400 by districts and squadrons to receive roster updates.

The Publications Committee reminded members that provisional squadrons are eligible for the Distinction in Journalism Award.

**Report of the National Treasurer**

V/C John T. Alter, SN, reported that 2004 dues renewal numbers were disappointing. He said that 17.3 percent of active members did not renew their membership for a total loss of 9,192 active members. 21.1 percent of family members nonrenewed for a total loss of 1,536 family members. He reported that the net result is more than $250,000 in lost national dues revenue, plus lost revenue at the district and squadron levels.
V/C Alter reported that revenues are behind projected figures by $85,252 as of 31 July 2003. He said that the most obvious factor is dues revenue.

The national treasurer reported that expenses are over projections by $38,172 or 1.8 percent. He said that some of the expense categories will level out by the end of the fiscal year.

V/C Alter reported that the 31 July 2003 treasurer’s report showed that expenses exceed revenue by $175,076 from operating sources and $111,539 from both operating and nonoperating sources. He noted that income from the FirstUSA® credit card program is anticipated to be about $76,000, which will be reflected at the time of the annual audit. Net income from the ABC Program will also be recognized during the annual audit.

V/C Alter reported that the Planned Giving Committee has purchased a new display booth and is producing four planned giving brochures titled *Wills, Charitable Remainder Trusts, Life Insurance* and *Gifts of Appreciated Securities*.

The national treasurer reported on some confusion related to USPS’ association with the Yachting Club of America. He said that USPS was accepted as a member in 2002 but was then notified in May 2003 that membership would not be renewed in 2003 because USPS did not meet the stated membership requirements. V/C Alter reported that he contacted the organization and USPS’ membership was extended through 2003. He will continue to negotiate to see if there are any acceptable terms under which USPS may continue to enjoy this member benefit.

The USPS Boat Insurance Program continues to do very well. New premiums in 2003 increased by 17 percent over 2002, and retention increased from 83.2 percent to 86.5 percent. Premium increases averaged 5 percent.

**Report of the Finance Committee**

R/C Joseph R. Mesenburg, SN, reported on USPS’ investment portfolio. The rate of return from 1 Dec. 2002 through 31 July 2003 is up 3.92 percent, or approximately $85,964. He reported that the asset allocation is approximately 42 percent invested in six equity mutual funds, with the remaining 58 percent in debt instruments, which include corporate bonds, money market funds and certificates of deposit.

R/C Mesenburg discussed the proposed 2004 budget. He reported that the proposed budget reflects an approximate 4.4-percent increase in revenue over the 2003 budget. He said that the increase in revenue is anticipated in response to the Power of One campaign for membership and sales from the 90th anniversary art print and national cookbook. He noted that the proposed budget did not include realized or unrealized investment gains or losses. The expense side of the proposed budget calls for an increase of 4.8 percent over the 2003 budget. The costs associated with this increase are taxes, liability and health care insurance premiums, expenses associated with meetings and travel and inflation. The bottom line shows revenues exceeding expenses by $29,470. R/C Mesenburg will present the proposed 2004 budget to the Governing Board for approval.

Report of the Committee on Nominations

R/C Frank E. Dougherty, AP, presented the names of the nominees to be presented to the Governing Board to fill unexpired terms created by vacancy.

R/C Dougherty discussed the recent OCom approval to investigate a for-profit retail center to be a support unit of USPS. Following discussion, the OCom ADOPTED a motion to form an ad hoc For Profit Study Committee. (09-OC-78)

Report of the Marketing and Public Relations Committee

R/C Kenneth D. Link, JN, chairman, reported that the new USPS logo containing the words “Since 1914" will be available for download from the USPS Web site.

R/C Link reported that closed loop VHS tapes and DVDs promoting the You’re In Command Program are available at headquarters. These products support ABC and the VSC program.

He reported that the committee is working with OceanGrafix to provide USPS graphics for future print-on-demand charts.
R/C Link reported that new orientation and recruiting presentations will be available soon on CD-ROM. The committee is nearing completion of a speaker’s bureau product. The Speaker’s Took box product will be available from the committee’s Web site, which will contain tips, suggested procedures, a proposed list of topics, types of speakers, suggested methodologies and tips on creating outlines.

He reported that District 10 invited USPS to participate in a marketing project titled Grand Excursion Navigators. This project will focus on an event that took place more than 100 years ago and will include a motor vessel Mississippi River cruise from Dubuque, Iowa, to St. Paul, Minn. USPS will provide escort vessels, will be given publicity and will be allowed to set up booths promoting the VSC and ABC programs. The committee is currently seeking a chairman for this event scheduled for August 2004. Additional information is available at www.grandexcursion.com.

R/C Link reported that an article in a recent issue of *Chesapeake Bay Magazine* titled “Powering Up” promoted USPS’ public education programs.

R/C Link reported on a successful public relations event held in Wilmington, N.C., and attended by USPS bridge officers. USCG District 5 Commander, Rear Adm. Sally Brice-O’Hara also attended. USPS members escorted the USCG barque *Eagle* as it sailed up the Cape Fear River to Wilmington, which was named a Coast Guard City.

**Report of the Planning Committee**

Stf/C Alan D. Wentworth, SN, assistant chairman, reviewed the progress of the Strategic Plan and discussed education strategy #7, which is to increase member participation in internal educational courses. He reported that an online survey about USPS educational course offerings was sent to 1,450 randomly selected members. He said that 540 responses were received and were demographically representative of the organization in age, gender, geographical location, roles within the squadron, educational grade earned, number of merit marks and length of membership. The responses also represented all 33 districts.

Stf/C Wentworth reported that survey results were tabulated and analyzed for specific trends. Survey results indicated that approximately 90 percent of the respondents felt that their
USPS educational experience met or exceeded their expectations. More than 25 percent indicated that the time commitments for our courses are too long and about 30 percent indicated that courses are not available on a predictable basis. The last significant finding was that about 10 percent of the respondents felt that courses are too expensive.

He reported that, as part of the Strategic Plan Phase III, the committee had begun monitoring the 24 approved strategies.

Stf/C Wentworth also reported on the development of an operating manual for district and squadron planning committees that suggests procedures and modes of operation. The committee is also finalizing a life member donation project to solicit donations from life members for special projects.

Report of the Committee on Rules

R/C Thomas R. Dougherty, SN, chairman, reported that Albemarle Sail and Power Squadron was chartered by the Committee on Rules on 1 July 2003 and that he would ask the Governing Board to approve its assignment to District 27.

Report of the National Law Officer

R/C Maury G. Rice Jr., AP, presented a draft MOU with the Canadian Power and Sail Squadrons that will allow an exchange of educational material and software between USPS and CPS. After discussion and several amendments to the MOU, the chief entertained a motion to approve the MOU, and the OCom ADOPTED the motion. (09-OC-79)

R/C Rice presented a USPS Policy Regarding Health Information to the OCom. He noted that USPS and the First Aid Safety Team are better protected if the national medical officer keeps records of health-related events in which FAST is involved. He said that because of the limited insurance protection provided by USPS’ insurance company, USPS is obligated to maintain records concerning these events if a claim is made against USPS. These records will be kept in a locked box at headquarters and records will be retained for 5 years and then destroyed. The OCom ADOPTED a motion to approve a USPS Policy Regarding Health Information and to present it to the Governing Board for approval. (09-OC-80)
The national law officer presented a USPS Privacy and Data Policy to the OCom. The policy replaces the one approved at the 2000 Fall Governing Board Meeting in Baltimore. The OCom ADOPTED a motion to approve a USPS Privacy and Data Policy and to present it to the Governing Board for approval. (09-OC-81)

R/C Rice discussed the use of raffles by nonprofit organizations. He said that most state laws require nonprofits to obtain a license before engaging in any form of gambling, which includes raffles. Gambling is broadly defined as any activity that includes three elements: a prize, chance and consideration. He noted that there is a position paper on this matter on the LawCom Web site, and that districts and squadrons should review this document before holding a gambling activity.

The national law officer discussed USPS trademark protection. He said that several committees have recently requested registration of trademarks. He noted that these requests, once it is determined that registration is appropriate, should be addressed to P/Lt/C Ralph M. Burton, SN, of the Law Committee. R/C Rice listed the general requirements to register a trademark: 1) a statement of what the proposed mark is to be used for, 2) a statement of how the mark is to be used (in advertising, on text material, on T-shirts, etc.) and 3) a statement of when it is expected the mark will be used in interstate commerce, which means crossing a state line. He said that if the mark will be used on the Internet, describing the goods or services it will be used for, that use constitutes interstate use. R/C Rice said that by the time a trademark is registered, it could cost as much as $1,500. He suggested that in determining whether to register a particular mark, a cost-benefit analysis should be undertaken considering the cost of registration, the importance of the trademark to USPS and the likelihood that the trademark will be used by any other party within the industry.

R/C Rice reported that the PWC Safety School requested permission to use USPS’ logo on its Web site and permission was given. This is an online NASBLA-approved boating safety course. The site also provides a direct link to the USPS Web site.
Report of the Past Chief Commanders

P/C/C Lance J. Jensen, SN, reported that 3,584 copies of America’s Boating Course have been sold online since its inception. He reported that a contract had been signed with BoatEd to enhance search engine capability and to provide online examinations.

P/C/C L.M. Barnes III, SN, spoke on behalf of the area monitors and encouraged all district and squadron commanders to submit their 2003 merit mark recommendations to area monitors by 15 Nov.

C/C Smith adjourned the meeting at 1450.

V/C Frank A. Dvorak, SN
National Secretary
1. A previous electronic vote to accept 10,000 discount coupons from West Marine to be included with the *Onboard Safety Equipment* video at no cost to USPS. (09-OC-65)

2. A previous electronic vote to approve provisional squadron status for Point Wilson Power Squadron and to assign it to District 16 for administrative purposes. (09-OC-66)

3. A previous electronic vote to award an honorary membership for Rear Adm. Sally Brice-O’Hara of the United States Coast Guard. (09-OC-67)

4. A motion to join the International Lifeboat Federation. (09-OC-68)

5. A motion to accept a resolution to encourage the United States Coast Guard to pursue acceptance of UN Resolution No. 40 and for USPS to develop the necessary additional educational programs to comply with the UN Resolution. (09-OC-69)

6. A motion to hold the November 2003 Operating Committee Meeting in Sebastian Inlet, Fla. (09-OC-70)

7. A motion to approve provisional squadron status for Upper Keys Provisional Squadron and to assign it to District 8 for administrative purposes. (09-OC-71)

8. A motion to approve provisional squadron status for Northern Arizona Provisional Squadron and to assign it to District 28 for administrative purposes. (09-OC-72)

9. A motion to establish the MSRP for the GPS learning guide at $11.50 and to establish the selling price to squadrons at $6. (09-OC-73)

10. A motion that Sea Scouts who have achieved the rank of Able Seaman or the higher rank of Quartermaster have satisfied the educational requirement for USPS membership. (09-OC-74)
11. A motion to purchase 1,300 copies of the *Boating Safety for Kids* manual including converting the current VHS tape to DVD format and to establish an MSRP of $15, plus shipping and handling. (09-OC-75)

12. A motion approving the memorandum of agreement with the National Safe Boating Council that involves a kids-safety booklet titled *Sidekicks - Go Boating*. (09-OC-76)

13. A motion to establish the P/C/C Raymond A. Finley Jr., SN, Sea Scout Service Award. (09-OC-77)

14. A motion to form an ad hoc For Profit Study Committee. (09-OC-78)

15. A motion to approve a memorandum of understanding between USPS and the Canadian Power and Sail Squadrons. (09-OC-79)

16. A motion to approve a USPS Policy Regarding Health Information and to present it to the Governing Board for approval. (09-OC-80)

17. A motion to approve a USPS Privacy and Data Policy and to present it to the Governing Board for approval. (09-OC-81)