The Operating Committee of United States Power Squadrons met on 29 Sept. 2006 at the Phoenix Airport Hilton Hotel, Phoenix.

Members present:

C/C Ernest G. Marshburn, SN  
V/C Creighton C. Maynard Jr., SN  
V/C Frank A. Dvorak, SN  
V/C Robert A. Baldridge, SN  
V/C Joe R. Mesenburg, SN  
R/C Allan W. Lakin, 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

Guests present:

R/C Robert A. Sweet, SN  
Lt Ken Moon, P

R/C Dave Hinders, SN  
Mary Catherine Berube

**Report of the Chief Commander**

C/C Ernest G. Marshburn, SN, called the meeting to order at 0800.

The chief reported on his attendance at the United States Coast Guard Auxiliary Annual Meeting in September 2006.

He reported that the Marketing and Public Relations Committee is coordinating a potential visit with President George W. Bush.

The chief reported that the OCom voted not to accept a USCG grant funding a Cold Water Boot Camp video. He stated that the decision not to accept was based on liability concerns and risks that could not be defined or measured. The chief reported that an external grant
procurement process is being developed.

C/C Marshburn reported that there will not be an Expo during the 2007 Annual Meeting. He said there are plans to hold an Expo during the 2007 Governing Board Meeting in Norfolk, Va.

The chief invited R/C Dave Hinders, SN, to update the OCom on the USPS website redesign initiative. R/C Hinders reported that standard templates and style sheets were developed and that all departmental, general and standing committee pages will conform to the standard. He reported that 90 percent of the pages had been converted. He said that enhancements to the “front door” are under way. The new front door will serve both the public and members. The revised menu bar guides users to USPS and boating class information, a site index and a question and answer section. R/C Hinders reported that the redesign will be completed in January 2007.

C/C Marshburn assigned a USPS forms review project to R/C Al Lakin, SN; V/C Dick Kyle, SN; and V/C Robert Baldridge, SN. The objective is to reduce both the number and complexity of forms required by the national organization from districts and squadrons.

Report of the National Executive Officer

V/C Creighton C. Maynard Jr., SN, reported that the Governing Board assigned the following District 2 resolution to the Operating Committee at the New York Governing Board Meeting in August 2006:

*Be it resolved, that the Governing Board shall authorize the Chief Commander to make all necessary arrangements to properly celebrate 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.*
Following discussion, the Operating Committee ADOPTED a motion supporting the District 2 resolution to recognize the first female members who will attain life membership upon receiving their 25th merit mark and requested that the chief commander, or his nominee, report the Operating Committee’s recommendation of approval to the Governing Board. (2006-OC-50)

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

*Therefore, be it resolved that the Governing Board shall vote to:*

1) *modify in wording the USPS Mission Statement to include the development of boating skills in members as one of the objectives; and*

2) *modify the wording in the Educational Goal of the Strategic Plan so as to include the development of boating skills in members as one of the objectives; and,*

3) *modify the wording in Article 2, Objects, of the USPS Bylaws, so as to include the instruction of boating safety as one of the Objects of USPS; and,*

4) *establish as policy that all USPS publications include the development of boating skills and boating safety.*

V/C Maynard reported that he would recommend that the Governing Board assign this resolution to the Operating Committee at the 2007 Annual Meeting in Jacksonville, Fla.

The national executive officer reported on a request to change the terms of office for rear commanders from three to two years. R/C Lakin noted that rear commanders are elected for one-year terms and can choose not to be nominated for another term.

V/C Maynard discussed a request from the Cooperative Charting Committee to add a second staff commander position. One staff commander would be responsible for the programs with the National Oceanic and Atmospheric Administration and the U.S. Army Corps of Engineers. The second staff commander would be responsible for the Geodetics Program and the Maptech agreement. The OCom ADOPTED a motion to approve a second staff commander position for the Cooperative Charting Committee. (2006-OC-51)
V/C Maynard reported that the Governing Board will be asked to dissolve Long Valley/4, Saddle River/4, Ashtabula/11, Santana/13, Little Rock Sail/31 and River Valley Sail/31 at the 2007 Annual Meeting.

The National Government and Partner Relations Committee posted guidelines for liaison officers and the USPS Lobbying Policy at www.usps.org/national/govpcom. The committee is recruiting a USPS representative from each state to serve as state legislative ambassadors.

The Cooperative Charting Committee contacted a national surveying organization to determine if it can use the geodetic data collected by members, since the data is no longer needed by NOAA.

There was a discussion on governance and how the Operating Committee can govern USPS between governing board meetings. It was noted that the USPS Bylaws restrict the Operating Committee’s ability to approve unbudgeted expenditures without Governing Board approval. The OCom ADOPTED a motion that the Committee on Rules prepare an amendment to the USPS Bylaws for Governing Board approval that will allow the Operating Committee to approve extraordinary expenses not included in the budget. (2006-OC-52)

The Vessel Safety Check Committee reported that 2,308 vessel examiners performed 17,456 vessel safety checks in 2006 as of 31 July. Since 1 Jan. 2006, 103 members have passed the online VSC exam.

The National Meetings Committee requested that the OCom consider changing the annual meeting date from February to May to avoid high room rates in warmer climates and to allow newly installed district commanders to attend. Governing board meetings would be moved to late October or November.

The USPS Environmental Committee is working with District 3 to coordinate efforts with the Cornell University Cooperative Extension on a water quality monitoring program. The committee is preparing a seminar titled “Global Warming - the Day After Tomorrow?”
Report of the National Educational Officer

R/C Robert A. Sweet, SN, assistant national educational officer, represented V/C Dick Kyle, SN, who was unable to attend the meeting. R/C Sweet reported that the Educational Department created a PowerPoint presentation about the educational exam waiver and USPS University.

R/C Sweet reported that four seminars are available at headquarters: Using GPS, Using VHF/DSC Marine Radios, Onboard Weather Forecasting and How to Use a Chart. He announced that seven additional seminars would be available in early 2007.

The assistant national educational officer reported that headquarters is shipping beta Seamanship and Junior Navigation course materials. Approximately 534 students will take the beta Seamanship course and 286 students will take the beta Junior Navigation course. He reported that a computer-generated beta Seamanship exam is being developed. The beta Junior Navigation exam will be graded by squadrons.

R/C Sweet reported that the U.S. Coast Guard Auxiliary does not require membership applicants to pass a basic boating course. He stated that the Auxiliary does require members to complete other training programs to perform services in support of the USCG. The OCom ADOPTED a motion that the exam requirement for membership may be satisfied by the completion of any USCG Auxiliary program. (2006-OC-53)

R/C Sweet discussed grade recognition for Auxiliary members who become USPS members. He said that the Educational Department reviewed Auxiliary exams and course material and determined that the USCGAux Boating Skills & Seamanship Course is equivalent to Seamanship, the USCGAux Coastal Navigation Course is equivalent to Piloting, and the USCGAux Advanced Coastal Navigation Course is equivalent to Advanced Piloting. OCom agreed that the Educational Department has the authority to determine educational equivalency for Auxiliary members.

R/C Sweet reported that the revised Engine Maintenance course materials should be available for spring 2007 classes.
R/C Sweet reported that only 87 squadrons submitted 2006 Chapman Award nominations. Five winners will be selected from the 28 district nominations. The winners will be recognized at the 2007 Annual Meeting with recognition plaques and Chapman pins. Each winner’s squadron will receive a sextant and an LCD projector.

He reported that squadrons can list seminars online and enable online registrations at http://www.usps.org/national/eddept/b/hq800.htm. Squadrons must submit student demographic information via the workbook application on the Educational Department’s website at www.usps.org/national/eddept.

R/C Sweet reported that the Educational Department is automating the exam report for advanced grades for Piloting, Advanced Piloting, Junior Navigation and Navigation, which will eliminate the exam bubble sheet and pregrading at headquarters. He reported that squadrons can now appoint a local boards chairman for USPS learning guides and USPS seminars.

**Special Presentation**

V/C Joe Mesenburg, SN, introduced Lt Ken Moon, S, Columbus/29, who gave a presentation on creating a USPS internet commerce site. Lt Moon said the USPS E-commerce initiative will be open to members and the public. He stated that the main objectives are to increase membership and revenue. Lt Moon said that USPS E-Commerce site will be an online person-to-person trading community, using the strength of approximately 50,000 members to establish market penetration. Following discussion, the OCom ADOPTED a motion that LawCom will perform due diligence to investigate the E-commerce concept. If approved by OCom, the costs will be funded from the 2007 operating budget. The source of the funds will be identified by the national treasurer. (2006-OC-54)

**Report of the National Administrative Officer**

V/C Frank A. Dvorak, SN, reported that the Leadership Development Committee is creating a 15-month national events calendar for districts and squadrons that will be posted on the committee’s website.

The Membership Committee reported that phase three of the WaterSmart grant is ready for submission to the USCG.
The Squadron Activities Committee reported that the port captains database contains 510 USPS port captains and 17 Canadian port captains. The Amateur Radio directory contains 368 USPS operators and 93 Canadian operators.

V/C Dvorak reported that the Century Fund Committee received a proposal from the Vantage Group of Boston to administer a fundraising campaign. Vantage would front the costs of registering USPS as a charitable organization in the states that require registration, printing and mailing. The OCom ADOPTED a motion to contract with the Vantage Group of Boston to administer a fund raising campaign for the Century Fund. (2006-OC-55)

Report of the National Secretary

V/C Robert A. Baldridge, SN, reported that national departments and districts 2 and 21 will participate in the test of electronic merit mark submission in 2006.

V/C Baldridge reported receiving an update to the 403(b) retirement plan for USPS employees, which was dictated by changes in federal law.

He reported that he received a branding and web proposal for USPS from a marketing and communications firm. He is in the process of reviewing the proposal.

The national secretary reported that Yvonne Hill, editor, is analyzing THE ENSIGN reader survey as part of the magazine redesign. Survey results can be found at www.theensign.org/feature.htm. THE ENSIGN Committee is focusing on upgrading the quality of articles submitted for publication.

The Information Technology Committee tested the electronic submission of merit marks and continues to support headquarters anniversary billing and the upgraded Ship’s Store website. ITCom successfully converted the USPS web server to a new location in September 2006, which will save approximately $6,000 annually.

The Operations Manual Committee updated the online manual to include actions of the New York Governing Board Meeting in September 2006.

The Ship’s Store Committee reported that gross sales at the New York Governing Board
toted $13,000. The Ship’s Store URL is www.shopusps.org. V/C Baldridge reminded the committee 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 evaluating more than 400 newsletters to determine the winners of the 2006 Distinction in Journalism Award.

The Historians Committee has reviewed 355 district and squadron history forms during 2006.

V/C Baldridge reported that he is working with the Membership Committee to create a PowerPoint presentation and articles for THE ENSIGN describing the new dues structure, which will become effective 1 June 2007.

**Report of the National Treasurer**

V/C Joseph R. Mesenburg, SN, reported that expenses exceeded revenues by $19,223 as of 31 Aug. 2006, compared with an expense excess of $178,368 one year ago. He stated that he anticipates that FY2006 will end with a small surplus, barring any unexpected expenses.

V/C Mesenburg reported that as membership declines and fixed expenses rise, USPS will falter with current revenue resources, mainly dues and fees. He encouraged the OCom to seek outside grant funding while focusing on grants that either directly or indirectly benefit USPS financial operations.

**Report of the Finance Committee**

R/C Michael J. Horowitz, JN, reported that investments being managed by the Finance Committee totaled $2,837,779.86 as of 31 Aug. 2006. He reported that the USPS investment portfolio was valued at $869,708.97 as of 31 Aug. 2006. He noted that liquid assets continue to be dangerously low. He reported that $100,000 in mutual funds were sold on 22 Aug. 2006 and were reinvested in a certificate of deposit, bringing the current allocation mix to 74.35 percent equity and 25.65 percent fixed income. The total investment return as of 31 Aug. 2006 was $20,911.60, or 2.46 percent.
He reported a balance of $931,497.31 in the Endowment Fund as of 31 Aug. 2006. The assets are allocated as follows: $247,777.76 invested in three mutual funds, $679,000 invested in seven certificates of deposit, and a balance of $4,719.55 in a money market fund. The total investment return as of 31 Aug. 2006 was $7,752.66, or 0.323 percent. He reported that the target asset allocation mix has been changed to 25 percent equity and 75 percent fixed income. It is currently at 26.6 percent equity and 73.4 percent fixed income.

R/C Horowitz reported that district and squadron funds totaled $1,036,573.58 as of 31 Aug. 2006. These funds are invested in 10 certificates of deposit totaling $978,132.54, and $58,441.04 is invested in a money market fund.

R/C Horowitz reported that the FY2005 financial alarm test totaled $2,464,172, which is $535,828.00 below the $3 million control limit. He reported that as of 31 Aug. 2006, the total was $2,543,383, which is $456,617 below the control limit.

**Report of the Committee on Nominations**

R/C Shirley Y. Van Rhee, JN, reported that the committee completed the slate of 2007 nominees for office.

**Report of the Committee on Rules**

R/C Allan W. Lakin, SN, discussed a proposal to form a Chief Commander’s Department. He reported that the initial concern from the members of the Committee on Rules was that the chief commander is an ex officio member of every committee. The committee is also concerned that this will create an additional structure at a time when the organization is attempting to streamline.

**Report of the National Law Officer**

R/C James D. Richlak, SN, reported that the motion for summary judgment to dismiss USPS from the lawsuit filed in Nevada was denied. 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. The judge focused on the fact that the insurance policy issued by St. Paul contained the legend “United States Power Squadrons Boat Insurance Policy”
on the face page of the policy. R/C Richlak reported that the attorneys plan to file a motion for reconsideration.

R/C Richlak reported that the Educational Department made a request to register “USPS University” as a trademark. The OCom ADOPTED a motion to spend $700 to register “USPS University using funding from the Educational Fund grant.” (2006-OC-56)

The national law officer reported that a memorandum of understanding with Puerto Rico is under development.

R/C Richlak reported that LawCom received a request from John Hancock Long Term Care Insurance to provide a link from the USPS website. The USPS logo would be displayed on the John Hancock website with member benefit information on long term care insurance. R/C Richlak stated that the USPS trademark is valuable and identifies United States Power Squadrons. He recommended that OCom consider withholding authorization for John Hancock to use the USPS trademark without a royalty agreement.

**Report of the Planning Committee**

R/C Alan Wentworth, SN, stated that one serious problem faced by many squadrons and districts is the lack of capable and willing leadership. He reported that the Planning Committee, in conjunction with the Administrative Department, developed a program patterned after the District 16 “Train the Trainer” program. The Planning Committee is seeking funding to send trainers to districts and squadrons.

R/C Wentworth reported that the Planning Committee evaluated an additional organizational goal on leadership as part of the USPS Strategic Plan. The OCom ADOPTED a motion endorsing the Leadership Goal of the Strategic Plan and to present the goal to the Governing Board for approval at the 2007 Annual Meeting in Jacksonville, Fla. (2006-OC-57)

R/C Wentworth reported that the committee is working with the Secretary’s Department on revisions to the Communications Goal, which will be presented at the 2007 Annual Meeting.

He reported that the Planning Committee Manual is being revised and will be downloadable from the committee’s website.
Report of the Marketing and Public Relations Committee

R/C Darrell G. Allison, AP, reported that the Marketing and Public Relations Committee is working with the Membership Committee to market *WaterSmart from the Start*, a computer-based program. The committee distributed press releases on the National Association of State Boating Law Administrators’ recognition of *WaterSmart from the Start* to print and electronic magazines. The releases are posted at [http://www.usps.org/national/pr/media3.html](http://www.usps.org/national/pr/media3.html).

R/C Allison reported on an initiative to develop an MOU with the International Order of the Blue Gavel, an organization of past yacht club commodores. He stated that the goals are to establish an information exchange with IOBG members and to create a pool of potential members.

R/C Allison discussed Cooperative Advertising funds. The OCom agreed that squadron expenses for advertising educational seminars are eligible for Cooperative Advertising funds.

C/C Marshburn adjourned the meeting at 1640.

V/C Robert A. Baldrige, SN
National Secretary
1. A motion supporting the District 2 resolution to recognize the first female members who will attain life membership upon receiving their 25th merit mark and requested that the chief commander, or his nominee, report the Operating Committee’s recommendation of approval to the Governing Board. (2006-OC-50)

2. A motion to approve a second staff commander position for the Cooperative Charting Committee. (2006-OC-51)

3. A motion that the Committee on Rules prepare an amendment to the USPS Bylaws for Governing Board approval that will allow the Operating Committee to approve extraordinary expenses not included in the budget. (2006-OC-52)

4. A motion that the exam requirement for membership may be satisfied by the completion of any USCG Auxiliary program. (2006-OC-53)

5. A motion that LawCom perform due diligence to investigate the E-commerce concept. If approved by OCom, the costs will be funded from the 2007 operating budget. The source of the funds will be identified by the national treasurer. (2006-OC-54)

6. A motion to contract with the Vantage Group of Boston to administer a fundraising campaign for the Century Fund. (2006-OC-55)

7. A motion to spend $700 to register the trademark “USPS University.” (2006-OC-56)

8. A motion endorsing the Leadership Goal of the Strategic Plan and to present the goal to the Governing Board for approval at the 2007 Annual Meeting in Jacksonville, Fla. (2006-OC-57)