The Operating Committee of United States Power Squadrons met on 13 Nov. 2004 at the national headquarters in Raleigh, N.C.

Members present:

C/C G. Leslie Johnson, SN  R/C U. Glenn Daughtridge, AP
V/C Ernest G. Marshburn, SN  R/C Thomas R. Dougherty, SN
V/C Spencer P. Anderson, SN  R/C James D. Richlak, SN
V/C Creighton C. Maynard Jr., SN  R/C Joseph R. Mesenburg, SN
V/C Frank A. Dvorak, SN  R/C Alan F. Wentworth, SN
V/C John T. Alter, SN  R/C Darrell G. Allison, AP
P/C/C Theodore H. Smith, SN

Guests present:

R/C Robert A. Baldridge, SN  Mary Catherine Berube
Stf/C Gerald Grofman, SN

**Report of the Chief Commander**

C/C G. Leslie Johnson, SN, called the meeting to order at 0830, and P/C/C Theodore H. Smith, SN, gave the invocation.

C/C Johnson reported that he met with Planning Committee members D/C Herb Shaw, JN, and Cdr Dave Hinders, SN, to discuss a recommendation that the chief review future plans and goals for USPS. He reported that the productive meeting will help guide USPS toward its short-term and long-term goals. C/C Johnson thanked D/C Shaw and Cdr Hinders for their assistance.
The chief reported that one of the items discussed was the new member initiation fee, which is currently $10. He said that there are costs attributed to enrolling a new member at headquarters including labor, producing and mailing a new member packet, producing and mailing a certificate, and providing a new member pin and decal. The chief entertained a motion that the Finance Committee recommend to the Governing Board to increase the new member initiation fee from $10 to $25. The OCom ADOPTED the motion. (2004-OC-39)

C/C Johnson reported that they also reviewed the policy of not charging life members national dues. It was recommended that life members pay half the rate of national dues to cover the costs of THE ENSIGN and other member benefits. The chief entertained a motion to recommend to the Governing Board to charge life members national dues at half the annual dues rate. The effective date for this change would be 25 years from the date of approval by the Governing Board. If this motion is approved by the Governing Board at the 2005 Annual Meeting, all members who achieve life member status prior to 2030 will continue to receive the benefit of paying no national dues. The OCom ADOPTED the motion. (2004-OC-40)

The chief encouraged members to consider the idea of selling some USPS member courses, which could include Seamanship and elective courses, to the public. The course materials would be sold at a much higher price than paid by USPS members.

The chief also discussed the idea of distributing information from outside vendors to boating course graduates. USPS would not sell the boating course graduate database; vendors would pay USPS to distribute information to its boating course graduates.

C/C Johnson reported on a proposal to hold a regional public boating course seminar in Charlotte, N.C., during the week prior to the Spring 2005 Governing Board Meeting.

The chief reported that USPS will again participate in the Winterfest Boat Parade in Fort Lauderdale, Fla., on 18 Dec. 2004. C/C Johnson reported that donations will be received from various organizations to offset costs. C/C Johnson entertained a motion that USPS contribute up to $2,000 toward the cost of participating in this parade; the OCom ADOPTED the motion. (2004-OC-41)

C/C Johnson entertained a motion to approve the minutes of the 8 Sept. 2004 OCom
Meeting. The OCom ADOPTED the motion. (2004-OC-42)

**Report of the National Executive Officer**

V/C Ernest G. Marshburn, SN, reported on 2004 Cooperative Charting efforts. For the period 1 April 2003 to 3 Nov. 2004, three districts, 73 squadrons and 408 of the 855 participating members achieved honor roll status. The Cooperative Charting Committee reported that 311,529 credits were awarded during this time period.

V/C Marshburn reported that the National Meetings Committee is investigating the possibility of holding a combined USPS-Canadian Power and Sail Squadrons national meeting in the Detroit area in fall 2008.

The National Meetings Committee reported the events planned for the 2005 Annual Meeting will include free entertainment on Wednesday night, a talent show on Thursday night, and seminars on protocol, table decorating and CPR training on Friday.

The Recreational Boating Safety Committee reported that 16 districts have become eligible for the 2004 District Safety Honor Roll by having all squadrons submit safety officer reports.

The Squadron Development Committee reported on efforts to form provisional squadrons in Juneau and Skagway, Alaska. The national executive officer reported that two former USPS members are interested in forming a provisional squadron in Venezuela. He reported that Upper Keys Provisional Squadron, Florida, District 8, Point Wilson Provisional Squadron, Washington, District 16, Lake Conroe Provisional Squadron, Texas, District 21 and Northern Arizona Provisional Squadron, District 28, are moving ahead toward chartering.

The Vessel Safety Check Committee reported that as of 22 Oct. 2004, 2,511 vessel examiners performed 29,042 vessel safety checks and awarded 23,563 decals.

V/C Marshburn reported that the recreational boating safety and homeland security grant application filed on behalf of USPS by J. O’Connell and Associates was not funded. He reported that the internal grant team is working with J. O’Connell and Associates to identify alternate
funding sources. The external grant-writing firm is also working with the youth activities team on potential grant sources.

The national executive officer reported that the Executive and Educational departments are working on an experienced boater examination initiative, which will allow experienced boaters who do not require or are unwilling to complete any of the standard boating safety course offerings to qualify for USPS membership.

He reported that the Executive Department is working on an initiative called Governing Board Live, which will enable members to access parts of national meetings via Web-cast.

V/C Marshburn reported that he received notification that Sequoia Power Squadron/25 and Tri-State Power Squadron/7 are beginning the dissolution process.

Report of the National Educational Officer

V/C Spencer P. Anderson, SN, reported that P/C/C Lance J. Jensen, SN, has completed a review of the America’s Boating Course online exam and has forwarded the review to BoatEd. It is anticipated that online exams will be available in Feb. 2005. He reported that online sales continue to improve and that traditionally fall has been the slowest time for sales.

V/C Anderson reported that the Educational Department is working with the Marketing and Public Relations Committee to develop a memorandum of understanding with the Amateur Radio Relay League.

The national educational officer reported he is working with the Law Committee to secure a contract with International Marine to jointly publish new learning guides.

V/C Anderson reported that CPS has decided to abandon its instructional techniques course and to begin teaching the USPS Instructor Development Course.

The national educational officer reported that C-Map is shipping DEOs and SEOs demo copies of its PC Planner software, which contains sample charts and the USPS Bowditch Bay
The national educational officer reported that some squadrons are still teaching outdated course material, including Seamanship 1994, which was replaced in September 2002. He emphasized that squadrons should not retain outdated material because this is a disservice to USPS members.

Report of the National Administrative Officer

V/C Creighton C. Maynard Jr., SN, reported that there are 31 auxiliaries with a total membership of 1,076. The Auxiliary Advisory Committee reported that the USPS cookbook, By Land or By Sea, arrived at headquarters on 11 Nov. 2004. Presale orders are now being shipped. Copies may be purchased from headquarters at $25 plus shipping and handling.

The Squadron Activities Committee reported that as of 2 Nov. 2004, there are 505 port captains, 17 of which are Canadian citizens.

The Membership Committee is updating the Member Involvement Manual to include procedures for contacting nonrenewals. The committee reported Power of One awards as of 18 Oct. 2004: two squadrons qualified for the Grand Squadron Challenge Award, 15 squadrons qualified for the Elite Squadron Challenge, 1,396 members from 239 squadrons received a Power of One pin, 44 members received a Power of One hat, and two members qualified for a trip to a national meeting.

V/C Maynard reported that the Law Committee had reviewed and approved an MOU with the National SAFE KIDS Campaign. The OCom ADOPTED a motion to approve the MOU with the National SAFE KIDS Campaign. (2004-OC-43)

The national administrative officer reported that the 8th annual Youth Poster Contest winning posters are posted on the Membership Committee Web site.

The Leadership Development Committee is updating the Operations Training Manual modules prior to reprint.
V/C Maynard encouraged squadrons to teach boating courses because it is one of the best opportunities to recruit new members. He also encouraged squadrons to use the Boating Course Assistant program to report boating course graduate statistics and demographics.

The success of the recent First Timer’s Receptions at national meeting was discussed. It was decided that a wine and cheese reception for those attending a national meeting for the first time was appropriate at annual meetings. P/C/C Theodore H. Smith, SN, was asked to seek sponsorship for such a reception to be held at the 2005 Annual Meeting.

**Report of the National Secretary**

V/C Frank A. Dvorak, SN, reported that districts 3, 4, 6, 7, 8, 19, 20, 22, 23, 25, 26, 28 and 31 have volunteered to join districts 10, 15 and 16 in the voluntary headquarters anniversary billing test in 2005.

V/C Dvorak reported receipt of a $10,000 contribution to the USPS Members Fund from Mary Pacher, in memory of her brother, P/R/C Bill Crayne, SN, Beaverton Power Squadron/32.

V/C Dvorak discussed the Century Fund, which he first introduced in his bridge message in the November THE ENSIGN. The intent of this fund is to create an endowment commemorating USPS’ 100th anniversary. Participants in the voluntary headquarters anniversary billing test will be given the opportunity to contribute to the fund when paying their 2006 dues.

The national secretary reported the need for additional LCD projectors at national meetings. The OCom ADOPTED a motion to spend up to $3,000 to purchase two LCD projectors and a shipping case. (2004-OC-44)

THE ENSIGN Committee is considering a proposal involving USPS partners submitting an article describing their organization and advertising their products in THE ENSIGN.

The Information Technology Committee is evaluating district and squadron Web sites for potential 2004 Web site awards. The committee will conduct a 4-hour DB2000 seminar on Thursday afternoon during the 2005 Annual Meeting. The Boating Course Assistant program will be included in this seminar. The committee is working on a secure protocol that will allow USPS
members and CPS members to access each organization’s members-only Web site.

The Operations Manual Committee reported that the updated manual is online. Copies of the updated manual on CD-ROM were included in the 2005 commander’s kits.

The Publications Committee is reviewing approximately 400 district and squadron newsletters for the 2004 Distinction in Journalism Award. Certificates will be presented to the winners at the 2005 Annual Meeting and a list of the winners will be published in THE ENSIGN.

The Ship’s Store will sell several new items at the 2005 Annual Meeting. V/C Dvorak reported that the committee has requested a second staff commander for Ship’s Store due to their expanding mission. The OCom ADOPTED a motion to add a second staff commander to the Ship’s Store Committee. (2004-OC-45)

The Historian Committee has tested an updated version of the squadron history form 701, which is compatible with DB2000. The new form is posted on the committee’s Web site and was included in the 2005 commander’s kits.

The Flag and Etiquette Committee is working with headquarters to ensure that USPS ensigns sold to members via the Ship’s Store meet USPS specifications.

**Report of the National Treasurer**

V/C John T. Alter, SN, reported that financial results as of 31 Oct. 2004 showed operating expenses exceeded operating revenues by $73,485, which is a $156,293 deficit improvement over 1 year ago. He said that revenues are up $86,024 from 1 year ago, but will most likely fall short of the annual budgeted amount of $2,275,375. He reported that no ABC revenue, one half of which belongs to USPS, has been posted and that current ABC revenue exceeds expenses by $84,426. The year-end ABC figures will be added to the USPS income statement in November.

V/C Alter reported that USPS and the USCG Auxiliary will receive the remaining balance of their initial equity investments to ABC. Each organization will receive $25,250.
V/C Alter reported that operating expenses are down $70,269 from 1 year ago and will most likely come in under budget for the year.

The national treasurer reported that 16 districts, or approximately 50 percent of the total membership, will participate in VHQAB in 2005. He said that the test results should be a large enough sample to draw some firm conclusions about the system’s practicality and functionality. V/C Alter will present an update on the trial at the 2005 Fall Governing Board Meeting.

V/C Alter reported that the Member Benefits Committee is negotiating with Chase Bank to renew an affinity credit card contract. The OCom ADOPTED a motion that the Member Benefits Committee confirm an affinity credit card contract with Bank One for $200,000 over a 5-year period subsequent to OCom approval. (2004-OC-46)

Report of the Committee on Nominations

R/C U. Glen Daughtridge, AP, reported that the Committee on Nominations has completed its assignment to nominate members for all 2005 leadership positions except for the staff commander of the Planned Giving Committee.

Report of the Finance Committee

R/C Joseph R. Mesenburg, SN, reported that USPS equity mutual funds were valued at $1,069,621.63 on 31 Oct. 2004. He reported that the total investment return on these dollars was $71,479.21, which is a 7.16 percent rate of return for 11 months.

R/C Mesenburg reported that money market funds and bonds were valued at $215,618.30 on 31 Oct. 2004, with a return of $9,052.55 and an unweighted average rate of return of 4.3 percent.

He reported that district and squadron dollars under USPS management total $1,016,371. These funds are invested in certificates of deposit with an average coupon rate of 2.6 percent.
The balances in the Members Fund and the Endowment Fund as of 31 Oct. 2004 were $128,084.76 and $126,119.80, respectively.

R/C Mesenburg reported that the financial alarm test which includes undesignated funds, unrestricted funds and the undepreciated value of all buildings and land, was valued at $2,600,581 as of 31 Oct. He said that this number has increased $83,887 since the last report on 31 Aug. and is $90,962 higher than on the same date 1 year ago. He reminded members that the alarm test is still $400,000 less than the $3,000,000 control limit established in Jan. 1999.

Report of the Committee on Rules

R/C Thomas R. Dougherty, SN, reported that the Committee on Rules has received requests to modify the wording in Article 2 of the Model Bylaws for Squadrons. He said that this section sets forth the objects of the individual squadron and is currently identical to USPS Bylaws, Article 2. He said that the committee has taken the position that these sections had to be worded identically to protect the tax-exempt status of the squadron. He said that the Law Committee has determined that changing “objects” to “objectives” and “yachts and yachting” to “boats and boating” would not invalidate a squadron’s tax exemption. R/C Dougherty stated that the Committee on Rules will now approve substituting these words where appropriate in Article 2 of the Model Bylaws for Squadrons.

R/C Dougherty reported that Cdr Dave Hinders, SN, has developed the Rules Tool software that will help generate district and squadron bylaws, which will be posted on the committee’s Web site.

Report of the National Law Officer

R/C James D. Richlak, SN, discussed the 403(b) retirement plan for USPS employees. Following discussion, the OCom ADOPTED a resolution stating that USPS contribute 5 percent of eligible compensation to the USPS Tax Sheltered Annuity Plan [403 (b)] for the calendar year ended 31 Dec. 2005 on behalf of USPS employees. (2004-OC-47)

R/C Richlak updated the OCom on USPS vs. the United States Postal Service. He said that LawCom reviewed the proposed settlement agreement and comments from the attorney for
the United States Postal Service. The modified settlement agreement as submitted by the postal service listed the usage of “USPS” by the United States postal service as first commencing in July 1971 as opposed to 1995 as reflected in the trademark application filed by the United States Postal Service. LawCom will contact the postal service attorney for an explanation of this discrepancy.

The national law officer reported that the Jet Smart trademark registration is 5 years old and that to maintain this registration USPS must file a declaration with the United States Patent and Trademark Office confirming that USPS continues to use the mark. The OCom ADOPTED a motion to authorize approximately $425 to file the combined Sections 8 & 15 Declaration for Jet Smart. (2004-OC-48)

R/C Richlak reported that V/C Anderson requested LawCom guidance concerning the need to register USPS trademarks in Canada. He reported that LawCom has reviewed this request and consulted with a Canadian intellectual property attorney. It was the opinion of the Canadian attorney that USPS should register its trademarks in Canada since the cost of registration is much less than the costs of any potential litigation to protect USPS’ trademarks. The national law officer reported that a trademark could be registered in Canada for approximately $1,000 (Canadian). R/C Richlak stated that based on the history of registering USPS trademarks in the United States, LawCom recommended registering USPS trademarks in Canada. He will discuss the matter with his counterpart at CPS and report back to the OCom.

R/C Richlak reported that the Montana Department of Fish, Wildlife & Parks MOU has been reviewed and approved by LawCom.

The national law officer reported that LawCom has reviewed and made recommendations to strengthen and clarify an updated MOU with the USCGAux regarding the Recreational Boating Safety Visitation Program. The program provides for USPS to distribute boating news, safety and educational items, and brochures concerning safety and boating items to all interested dealers and yacht clubs. The program will assist the USCG when they send out recalls or safety notifications.

LawCom reviewed and commented on an agreement between District 16 and the
Washington State Parks and Recreation Commission to provide matching funds up to $17,000 to purchase equipment to teach public boating courses.

The national law officer presented a Document Retention Policy, as required by the Sarbanes-Oxley Act, for OCom review. The OCom will discuss the document at its January 2005 meeting.

R/C Richlak thanked the chief commander for his remarks in the chief commander’s message to the 2004 fall district conferences regarding the importance of districts and squadrons filing the subordinate unit letter with headquarters. He said that he also e-mailed district commanders and has received an excellent response.

The national law officer presented a proposed MOU between the Great Lakes Cruising Club, USPS and CPS. The purpose of the MOU is to produce better boating and navigational skills for each organization’s members and the public, enhancing the awareness of the importance of boating safety and the need for boating education courses and increasing their respective membership involvement. The OCom ADOPTED a motion to approve an MOU between USPS, Great Lakes Cruising Club and CPS. It is anticipated that the MOU will be signed by all parties at the 2005 Annual Meeting. (2004-OC-49)

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

R/C Darrell G. Allison, AP, reported that a year-end cooperative advertising funds summary was sent to all district public relations officers and district treasurers.

R/C Allison reported on an idea to include the public relations brochures, *This is USPS* and *What’s In It for You?* with every boating course manual. The cost of the two brochures is approximately $.20 plus insertion charges. Potential funding sources will be investigated.

R/C Allison reported that King Features has given USPS the right to use Popeye characters on public relations materials at no cost to USPS.

He reported that the 11-by-17 boating course posters need to be reordered. The OCom ADOPTED a motion to procure new boating course poster artwork using Popeye characters and
to reprint 10,000 copies of the 11-by-17 boating course posters at a cost not to exceed $3,000. (2004-OC-50)

R/C Allison reported that the Marketing and Public Relations Committee is working with the Educational Department and Membership Committee on plans to participate in the 2005 National Scout Jamboree to be held in Fort A.P. Hill, from 25 July through 3 August 2005. He said that the jamboree is an excellent opportunity to share the purpose, history, traditions and objectives of USPS with more than 45,000 Boy Scouts, leaders and visitors.

He reported that six new public service announcements will be released during the 2005 Annual Meeting Expo. The committee will also tape several interviews during Expo featuring USPS partners and selected committees. The interviews will be used for public relations and promotion of Expo and will be distributed on CD-ROM or DVD.

**Report of the Planning Committee**

R/C Alan F. Wentworth, SN, reported that the Planning Committee recognizes that member recruitment and enhancing a members’ squadron experience are necessary parts of increasing USPS membership.

R/C Wentworth reported that P/R/C Ken Link, JN, gave a presentation to OCom members on 12 Nov. outlining the proposal for monitoring the USPS Strategic Plan from the bottom up. It will be the responsibility of officers at all levels to outline and plan their work to advance the plan’s goals.

He reported that providing squadron commanders with better tools to run their squadrons has been a priority for PlanCom in 2004. The committee has developed a two-page Squadron Internal Review form that is available on the PlanCom Web site. The committee is working on a condensed one-page quick review.

R/C Wentworth reported that PlanCom continues to favor developing materials for advanced public boating courses that would provide squadrons with competitive public offerings. He closed his report by stating that the D/Plan/Net continues to be an avenue for increasing information exchange between PlanCom and districts.

- 12 - OCom 13 November 2004
Report of the Past Chief Commander

P/C/C Theodore H. Smith, SN, reported that headquarters building maintenance has been completed to satisfaction. The final contract price was $14,483.10. He stated that it would be prudent to create a building maintenance fund and budget for it yearly.

P/C/C Smith reported on his USCG liaison activities and his recent attendance at the BoatU.S. Advisory Board Meeting. It was reported that the Boating Safety Advisory Council has requested that the USCG Office of Boating Safety continue its program for reducing boating fatalities. BSAC adopted a policy to promote the increased use of personal flotation devices by 22 percent to 44 percent by 2007. The BoatU.S. Advisory Board reported that the present Wallop-Breaux funding has been extended for 8 months, which should put the bill up for U.S. House and Senate consideration in spring 2005.

He reported that NOAA has created an advisory board and with OCom approval, P/C/C Smith will contact representatives at NOAA concerning representation by USPS on its advisory board. No objection was stated by OCom members.

P/C/C Smith stated that Rescue 21 will be completely operational by 2006 and that it is believed that this program will increase the safety of the recreational boater.

C/C Johnson adjourned the meeting at 1500.

V/C Frank A. Dvorak, SN
National Secretary
1. A motion that the Finance Committee recommend to the Governing Board to increase the new member initiation fee from $10 to $25. (2004-OC-39)

2. A motion to recommend to the Governing Board to charge life members national dues at half the annual dues rate. This recommendation is for members who join after Governing Board approval and earn 25 merit marks for the Life Member Award (first possible year to implement is 2030.) (2004-OC-40)

3. A motion that USPS contribute up to $2,000 toward the cost of participating in the Winterfest Boat Parade in Fort Lauderdale, Fla. (2004-OC-41)

4. A motion to approve the minutes of the 8 Sept. 2004 OCom Meeting. (2004-OC-42)

5. A motion to approve MOU with the National SAFE KIDS Campaign. (2004-OC-43)

6. A motion to spend up to $3,000 to purchase two LCD projectors and a shipping case. (2004-OC-44)

7. A motion to add a second staff commander to the Ship’s Store Committee. (2004-OC-45)

8. A motion to authorize the Member Benefits Committee to confirm an affinity credit card contract with Bank One for $200,000 over a 5-year period subsequent to OCom approval. (2004-OC-46)

9. A resolution stating that USPS contribute 5 percent of eligible compensation to the USPS Tax Sheltered Annuity Plan [403 (b)] for the calendar year ended 31 Dec. 2005 on behalf of USPS employees. (2004-OC-47)

10. A motion to authorize approximately $425 to file the combined Sections 8 & 15 Declaration for Jet Smart. (2004-OC-48)
11. A motion to approve an MOU between USPS, Great Lakes Cruising Club and CPS. (2004-OC-49)

12. A motion to procure new boating course poster artwork using Popeye characters and to reprint 10,000 copies of the 11-by-17 boating course posters at a cost not to exceed $3,000. (2004-OC-50)