The Operating Committee of United States Power Squadrons met on 12 Nov. 2005 at the national headquarters in Raleigh, N.C.

Members present:

C/C G. Leslie Johnson, SN       P/C/C Theodore H. Smith, SN
V/C Ernest G. Marshburn, SN     R/C Gerald Grofman, 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 Robert A. Baldridge, SN     R/C Darrell G. Allison, AP
V/C John T. Alter, SN           R/C Alan F. Wentworth, SN

Guests present:

P/V/C Frank A. Dvorak, SN       Stf/C Al Lakin, SN
R/C Dick Kyle, SN               Stf/C Shirley Y. Van Rhee, JN
Stf/C Michael J. Horowitz, JN   Mary Catherine Berube

Report of the Chief Commander

C/C G. Leslie Johnson, SN, called the meeting to order at 0820, and P/C/C Theodore H. Smith, SN, gave the invocation.

C/C Johnson reported that the Operating Committee used electronic means between
OCom meetings to authorize the headquarters director, manager of administrative services, or THE ENSIGN editor and their successors to deposit and withdraw funds to and from Intervest National Bank, Centennial Bank, Fireside Bank and M&T Bank, N.A. (2005-OC-55)

C/C Johnson reported that USPS’ memorandum of understanding with the United States Coast Guard Auxiliary will be signed at the 2006 Annual Meeting. He reported that USPS has completed a proposed MOU with US Sailing and forwarded it to US Sailing for review. If US Sailing accepts the MOU, it will also be signed at the 2006 Annual Meeting.

C/C Johnson entertained a motion to recommend that the Governing Board authorize and establish the Environmental Committee and the Government and Partner Relations Committee, as provided by the USPS Bylaws Section 5.10, and assign them to the Executive Department. The OCom ADOPTED the motion. (2005-OC-56)

The chief entertained a motion approving honorary membership for Popeye and Olive Oyl, and the OCom ADOPTED the motion. (2005-OC-57)

The OCom ADOPTED a motion to grant a USPS Lifesaving Award to Garry Stephens, S, Cape Cod/14; Peter Stephens Sr.; Peter Stephens Jr.; and Christopher Doolan. (2005-OC-58)

**Report of the National Executive Officer**

V/C Ernest G. Marshburn, SN, reported that in 2006 districts 7, 11 and 29 will host a spring tri-district conference and districts 13, 25 and 28 will host a fall tri-district conference.

V/C Marshburn reported that Santa Monica Bay/13 is in the process of dissolving and that Upper Keys Provisional Squadron has disbanded. He reported that North Texas Lakes Provisional Squadron and Lake Mohave Provisional Squadron should receive their charters at the
The Cooperative Charting Committee will host a hands-on CCWEB training session during the 2006 Annual Meeting.

The National Meetings Committee reported that renovations at the Grand Hyatt New York could affect the availability of meeting rooms during the 2006 Governing Board Meeting.

The Recreational Boating Safety Committee reported that districts 2, 3, 4, 14, 16, 21 and 23 have qualified for the 2005 District Safety Honor Roll.

The Squadron Development Committee reported that the updated Provisional Squadron Manual includes instructions for notifying district commanders and neighboring squadrons of proposed provisional squadrons and revised/new procedures for chartering a provisional squadron. The committee reported that the Provisional Squadron Manual and the Squadron-at-Risk Guide to Recovery Manual are available for download from the USPS website.

The Vessel Safety Check Committee reported that a system has been developed that will allow vessel examiners to enter VSC 204 form data online, eliminating the requirement to send the forms to headquarters. A few districts and squadrons are currently performing a beta test, and all squadrons should be able to participate after the 2006 Annual Meeting. The committee also reported that 2,454 VEs performed 28,100 vessel safety checks as of 26 Oct. 2005. This number represents 21.2 percent of the total VSCs performed by USPS and the USCGAux.

V/C Marshburn reported that the external grant funding team is developing grant proposals for the ad hoc Environmental Committee to fund the USPS Boating Environment Best Practices brochure and the Unsplash Your Trash Campaign.
Report of the National Educational Officer

V/C Spencer P. Anderson, SN, invited R/C Dick Kyle, SN, to give a presentation on the District 4 and District 5 resolutions concerning open enrollment for USPS elective courses. R/C Kyle discussed the perception that revenue and membership would increase if the public had access to member courses. He noted that opening courses to nonmembers would cause a reduction in membership because there would be no incentive to join. He also noted that revenue generated by opening courses to the public would not offset the potential loss in dues revenue. He expressed concern that promoting member courses to the public would require extensive marketing. He reported that Canadian Power and Sail Squadrons, which offers its member courses to the public, reports that nonmembers account for less than 2 percent of students taking these courses.

R/C Kyle reported that in lieu of opening member courses to the public, the Educational Department is developing short, topical seminars that will allow squadrons to introduce the public to USPS courses, to recruit members and to generate revenue. Following discussion, the chief entertained a motion that the OCom recommend that the Governing Board vote against the District 4 and District 5 resolutions concerning open enrollment for elective courses. The OCom ADOPTED the motion. (2005-OC-59)

V/C Anderson reported that USPS has established a good working relationship with the Boy Scouts of America Venturing Division. He stated that the BSA is looking for courses on the safe use of personal watercraft. C/C Johnson entertained a motion to provide 2,500 copies of the Jet Smart video to the Boy Scouts of America, at no cost, subject to the BSA Risk Management Division’s approval, and with the assumption that another source will be found to pay for the shipping of these materials from headquarters to the BSA. The OCom ADOPTED the motion. (2005-OC-60)

The national educational officer reported that an instructor recertification seminar will be
held during the 2006 Annual Meeting. The seminar will focus on new technologies and techniques for teaching adults. He reported that the instructor certification policy is being rewritten to remove the grandfather clauses that expire at the end of 2005.

V/C Anderson reported that the Maptech website link on the Educational Department’s website is working. Members can use the link to download free digital National Oceanic and Atmospheric Administration charts.

The national educational officer reported that the USPS Policy on Teaching Boating Safety Courses should be amended as follows to correct the wording to reflect practice:

- Revise references to Squadron Boating Course, Boat Smart and Jet Smart to state “the USPS public boating courses.”
- Add the following introductory statement: “Where USPS has an MOU with the state, if any difference exists between this MOU and the following statement of policy, the MOU shall have precedence.”
- Revise the wording under “USPS Responsibilities to” “... in accordance with current NASBLA National Educational Standards.”

The chief entertained a motion to adopt these amendments to the USPS Policy on Teaching Boating Safety Courses, and the OCom ADOPTED the motion. (2005-OC-61)

The OCom ADOPTED a motion that individuals who meet Royal Yachting Association certification requirements also meet the educational requirement for USPS membership. (2005-OC-62)

Report of the National Administrative Officer

V/C Creighton C. Maynard Jr., SN, reported that the Auxiliary Advisory Committee
wrote a letter to squadron commanders promoting the USPS cookbook, *By Land or by Sea*. Copies of the cookbook can be purchased through the Ship’s Store for a holiday sale price of $19, which will be in effect through the 2006 Annual Meeting.

The Member Benefits Committee continues to seek member benefits. Member benefits are posted on the committee’s website at www.usps.org/national/admin_dept/membenefits.htm

The Membership Committee is focusing on the 2005 Power of One Awards, which will be presented during the 2006 Annual Meeting; creating a document on best recruiting ideas; and rewriting the *Membership Manual’s* recruiting section. The committee reported that the updated *Membership Manual* is available on the website at www.usps.org/national/membership/memcommanual.htm.

V/C Maynard reported on the need to reprint the *What’s in it for You?* brochure. The OCom ADOPTED a motion to print 50,000 copies of the *What’s in it for You?* brochure at a cost of $4,095. (2005-OC-63)

The national administrative officer reported that the Membership Committee’s youth activities team is completing the teacher’s manual and student workbook for the WaterSmart program, a computer game. The program will be highlighted at the committee’s 2006 Annual Meeting Expo booth. The committee is seeking grant funding to produce a Sea Vester coloring book.

The Membership Committee reminded squadrons that the deadline for the 2005 National Safe Boating Council’s Boating Safety Youth Program Award is 31 Dec. 2005. This award includes a cash grant for the implementation or enhancement of a youth-oriented boating-safety program. Additional information can be found on the NSBC website at www.safeboatingcouncil.org. The deadline for Clean Water Grant applications is 1 Feb. 2006. Information can be found at www.boatus.com/cleanwater/grants.
The Leadership Development Committee will distribute a leadership and management program to district commanders in early 2006. The committee is also evaluating a program on how to develop leaders.

The Squadron Activities Committee reported that as of 31 Oct. 2005, there were 507 USPS port captains and 17 CPS port captains. As of 31 Oct. 2005, there were 362 cruise and rendezvous listings posted.

Report of the National Secretary

V/C Robert A. Baldridge, SN, reported that the headquarters warehouse will close for inventory at noon on Tuesday, 22 Nov. Shipping will resume on Friday, 9 Dec. External auditors will perform their inventory check during this time.

V/C Baldridge reported that headquarters has acquired a CD-ROM burner, which was funded by an Educational Fund grant. Headquarters burned 950 Operations Manual CD-ROMs for inclusion in the commanders kits, squadron educational officer kits and for inventory. To minimize costs, labels for CD-ROMs burned at headquarters should be simple and preferably black-and-white.

The national secretary reported that headquarters staff has been reduced to 23, which is down 6 percent from two years ago and down 10 percent from 1995. The headquarters safety team has been active, holding meetings, fire drills and automated external defibrillator training.

V/C Baldridge discussed a proposal to upgrade THE ENSIGN’s paper to a glossier, brighter stock. He also discussed a proposal that involves developing an electronic version of the magazine.
He reported that the 2006 Call to the Annual Meeting is posted on the Secretary’s Department website.

V/C Baldridge reported that R/C Dave Hinders, SN, assisted headquarters in sending an e-mail from the chief commander to 3,800 former members encouraging them to renew their memberships.

THE ENSIGN Committee readers have submitted 600 newsletter articles to be considered for publication in THE ENSIGN. The committee reported that, with 10 published issues in 2005, advertising revenue to date was $68,321, compared to $62,532 in 2004, with 11 published issues.

The national secretary reported that the Information Technology Committee and the Ship’s Store Committee are upgrading the Ship’s Store website to increase visibility and revenue. He stated that the upgrade will require new software. The OCom ADOPTED a motion to spend up to $5,000 on software to upgrade the Ship’s Store website. (2005-OC-64)

The Operations Manual Committee has posted the *Operations Manual*, which includes updates through the 2005 Fall Governing Board Meeting, on its website. The committee will verify that policies printed in the manual are up to date.

V/C Baldridge reported that the Flag and Etiquette Committee is studying the District 12 resolution on uniforms, which is posted on the Secretary’s website.

The Publications Committee is focusing on improving district and squadron newsletters content. The committee cautions squadrons and districts against publishing newsletters via e-mail only unless members can opt for paper versions.
Report of the National Treasurer

V/C John T. Alter, SN, reported that current operating revenue is $173,859 less than one year ago. He said that several factors contributed to declining revenue, including reduced income from dues and fees, which is down $158,164 from one year ago. He reported that as of 31 Oct. 2005, the total number of active and family members had declined by 2,320 from one year ago. He said that the 2006 nonrenewal rate was 21.5 percent compared with the 2005 nonrenewal rate of 21.8 percent. He reported that 1,847 members had renewed late as of 31 Oct. 2005 compared with 2,988 members who had renewed late as of 31 Oct. 2004.

V/C Alter reported that net educational sales revenue was down by $18,730. He anticipated that Ship’s Store revenue would meet budget estimates. He reported that other revenue decreased by $62,116 from one year ago and was well below the projected year-end budgeted figure of $204,645. He noted that several revenue sources contributed to the decrease in other revenue, including anniversary art print sales, which were budgeted at $22,000 and had produced only $3,395.50 to date. He noted that no miscellaneous grant income, which had been budgeted at $50,000, had been reported in 2005. He reminded the committee that the accounting change instituted earlier this fiscal year moved all contributions to the Endowment and Century funds from the operating revenues section, where they were originally budgeted, to the non-operating revenues section, where they are actually being reported, on the statement of revenues and expenses. V/C Alter said that this action was taken to permit a more accurate analysis of USPS’ cash position.

V/C Alter reported that year-to-date expenses were $30,487 less than one year ago, and he thanked all who had helped to control 2005 expenses. He anticipated that total fiscal year 2005 expenses would remain below the budgeted amount.

The national treasurer reported that $43,000 of investment income revenue would be posted to the revenue account in November 2005, representing 4.5 percent of the total investment
return in 2005. He also noted that only $3,584 of Cooperative Advertising funds had been distributed to date and said he anticipated that an additional $30,000 would be distributed prior to the fiscal year-end.

V/C Alter stated that revenues continue to erode faster than we can reduce expenses. He noted that the dues increase and the elimination of a national meeting beginning in 2006 will help lessen the severity of the situation but will not eliminate deficits in the near term.

The national treasurer reported that the OCom approved a new revenue-sharing program for the Chase Bank affinity credit card program that would base the squadron and district earnings on the number of new, approved credit card applications received. He reported on the need to print and distribute an updated affinity credit card application. The OCom ADOPTED a motion to spend up to $1,500 to print and distribute Chase affinity credit card applications. (2005-OC-65)

V/C Alter reported that 19 districts are currently participating in the voluntary headquarters anniversary billing program and that seven more districts will participate in 2006 including districts 2, 3, 9, 13, 17, 18, 27 and St. Louis Power Squadron, District 30.

**Report of the Committee on Nominations**

R/C Gerald Grofman, SN, reported that the Committee on Nominations has completed the slate of 2006 national officer candidates, which was published in the Call to the 2006 Annual Meeting.

**Report of the Finance Committee**

R/C Joseph R. Mesenburg, SN, reported that USPS investments are performing well, with the total investment return for 11 months at $98,728.70, at a rate of return of 11 percent.
R/C Mesenburg reported that the balance in the Century Endowment Fund was $817,250.10 as of 31 Oct. 2005. He reported minimal contributions to the fund during the last few months and expressed the need for a marketing plan.

He reported that district and squadron investments totaled $1,018,729 as of 31 Oct. 2005. These funds are invested in 10 certificates of deposit, with staggered maturity dates and an average rate of return of 4.05 percent.

R/C Mesenburg reported that revenue from dues and fees is $211,691 less than the 2005 budget, or $1,056,466 compared with $1,268,157. Because dues and fees are prorated, he indicated that this number will improve by approximately $90,000 by fiscal year-end, resulting in $120,00 less than budgeted. Net educational sales are $62,125 less than budgeted, or $342,308 compared with $404,433. Other revenue is approximately $169,000 less than budgeted, or $243,064 compared with $412,645. THE ENSIGN advertising and subscriptions revenue was approximately $21,000 less than budgeted, or $69,101 compared with $90,800.

Report of the Committee on Rules

Stf/C Al Lakin, SN, presented the rationale for the USPS Bylaws revisions. The revisions will be presented to the Governing Board for approval at the 2006 Annual Meeting. The rationale is posted on the committee’s website at www.usps.org/national/rules/National_meetings.html#Rationale.

Report of the National Law Officer

R/C James D. Richlak, SN, reported that a member insured under the St. Paul Boat Insurance Program has named USPS as one of the defendants in a lawsuit involving a boat insurance claim. He reported that St. Paul Travelers will appoint an attorney to defend USPS.
R/C Richlak reported that USPS has an MOU with the US Army Corps of Engineers dated 5 May 2003. He reported that the USACE submitted a proposed annex to the original agreement, which LawCom reviewed. The OCom ADOPTED a motion to approve an MOU annex agreement with the USACE. (2005-OC-66)

The national law officer reported that LawCom reviewed a proposed MOU with the USCGAux. The OCom ADOPTED a motion to approve an MOU with the USCGAux. (2005-OC-67)

R/C Richlak reported that the Watersmart from the Start trademark was published in the United States Trademark and Patent Office’s *Official Gazette* on 30 Aug. 2005. He stated that if no opposition or requests for additional time were received within 30 days, the application would be approved. He stated that this is an intent-to-use application and it will be necessary to show use of the mark prior to registering the mark.

The law officer reported that LawCom reviewed a proposed agreement with Citizen Corps Affiliate Programs and Organizations. The OCom agreed that more information was needed from the ad hoc National Government and Partner Relations Committee before responding.

R/C Richlak reported that LawCom received a proposed license agreement from Hearst Holdings Inc., King Features Syndicate Division, regarding USPS’ use of the Popeye characters. This agreement grants USPS a limited, nonexclusive right to manufacture, market and sell collared shirts and T-shirts bearing designs that incorporate the name and likeness of the Popeye characters together with logos, indicia and boating-safety messages. The agreement states that USPS will pay King Features a 6 percent royalty based upon the gross retail price of all products sold. The OCom ADOPTED a motion to accept a license agreement regarding the use of the Popeye characters with Hearst Holdings, Inc., King Features Syndicate Division. (2005-OC-68)
The national law officer reported that LawCom has been negotiating an MOU with Maptech outlining the development and implementation of the Harbor Chart Program. The MOU specifies that USPS and Maptech will collaborate on the design, development and operation of the HarborChart.org information database, which will be incorporated into existing harbor charts. The OCom ADOPTED a motion to accept an MOU with Maptech pursuant to final LawCom approval. (2005-OC-69)

Report of the Planning Committee

R/C Alan Wentworth, SN, presented proposed revisions to the USPS Strategic Plan goals relating to membership and education as well as the added goal of financial stability. He moved that OCom endorse the proposed USPS Strategic Plan revisions that will be presented to the Governing Board at the 2006 Annual Meeting. The OCom ADOPTED the motion. (2005-OC-70)

R/C Wentworth reported that the USPS Strategic Plan’s continued success requires developing a method that documents progress toward achieving the USPS strategic goals.

R/C Wentworth reported on the completion of the third member-retention survey, which polled former members who had not renewed in the past five years. He noted that results indicated that the most common reasons for not renewing were too little time to be involved, job change, relocation and life-changing events. He listed some of the other reasons stated for not renewing:

- poor integration of new members into squadrons;
- poor local leadership;
- variable educational experiences (poor teachers);
- perception that USPS is an “old boater’s club”;
- USPS traditions and customs were unappealing; and
resentment of the national organization’s perceived use of dues to support parties and travel.

R/C Wentworth reported that the Planning Committee will present conclusions and recommendations derived from the surveys and that the final results of the three-part e-mail survey on member retention will be posted on the committee’s website following the 2006 Annual Meeting.

He reported that the Planning Committee is studying the feasibility of substitute voting privileges for general members of the Governing Board who are unable to attend a national meeting.

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

R/C Darrell G. Allison, AP, reported that the committee received 225 requests for 2005 Cooperative Advertising funds. The deadline for submission was 31 Oct. 2005.

R/C Allison reported that the inventory of boating course brochures was depleted. The OCom ADOPTED a motion to purchase 100,000 boating course brochures at a cost of $4,828. Effective 1 Jan. 2006, the selling price to squadrons will be $.05 each. (2005-OC-71)

He reported that the Test Your Boating Knowledge quiz will be posted on the committee’s website.

**Report of the Past Chief Commander**

P/C/C Theodore H. Smith, SN, reported on his attendance at the United Safe Boating Institute’s annual meeting. He reported that discussions focused on how USBI could assist in promoting safe-boating interests to ensure that recreational boating receives a fair share of
Wallop-Breaux funds.

P/C/C Smith encouraged USPS to continue promoting the Annual Meeting Expo to commercial vendors and other boating-related organizations.

He reported that he received a district request for national to provide a marketing and public relations package that promotes public safe-boating courses and USPS membership.

P/C/C Smith reiterated his beliefs that USPS needs a professional fundraiser and should continue to promote member benefits.

V/C Robert A. Baldridge, SN
National Secretary
1. A motion to authorize the headquarters director, manager of administrative services, or THE ENSIGN editor and their successors to deposit and withdraw funds to and from Intervest National Bank, Centennial Bank, Fireside Bank and M&T Bank, N.A. (2005-OC-55)

2. A motion to recommend that the Governing Board authorize and establish the Environmental Committee and the Government and Partner Relations Committee, as provided by the USPS Bylaws Section 5.10, and to assign them to the Executive Department. (2005-OC-56)


4. A motion to grant a USPS Lifesaving Award to Garry Stephens, S, Cape Cod/14; Peter Stephens Sr.; Peter Stephens Jr.; and Christopher Doolan. (2005-OC-58)

5. A motion that the OCom recommend that the Governing Board vote against the District 4 and District 5 resolutions concerning open enrollment for elective courses. (2005-OC-59)

6. A motion to provide 2,500 copies of the Jet Smart video to the Boy Scouts of America, at no cost, subject to the BSA Risk Management Division’s approval. (2005-OC-60)

7. A motion to adopt amendments to the USPS Policy on Teaching Boating Safety Courses. (2005-OC-61)
8. A motion that individuals who meet Royal Yachting Association certification requirements also meet the educational requirement for USPS membership. (2005-OC-62)

9. A motion to print 50,000 copies of the What’s in it for You? brochure at a cost of $4,095. (2005-OC-63)

10. A motion to spend up to $5,000 on software to upgrade the Ship’s Store website. (2005-OC-64)

11. A motion to spend up to $1,500 to print and distribute Chase affinity credit card applications. (2005-OC-65)

12. A motion to approve an MOU annex agreement with the USACE. (2005-OC-66)

13. A motion to approve an MOU with the USCGAux. (2005-OC-67)

14. A motion to accept a license agreement regarding the use of the Popeye characters with Hearst Holdings, Inc., King Features Syndicate Division. (2005-OC-68)

15. A motion to accept an MOU with Maptech pursuant to final LawCom approval. (2005-OC-69)

16. A motion to endorse the proposed revisions to the USPS Strategic Plan and to present the revisions to the Governing Board at the 2006 Annual Meeting. (2005-OC-70)

17. A motion to purchase 100,000 boating course brochures at a cost of $4,828. Effective 1 Jan. 2006, the selling price to squadrons will be $.05 each. (2005-OC-71)