The Operating Committee of United States Power Squadrons met on 9 Nov. 2007 at the Marine Biology Laboratory, Woods Hole, Mass.

Members present:

C/C Ernest G. Marshburn, SN  R/C Anthony J. Aquilato, SN
V/C Creighton C. Maynard Jr., SN  R/C Noel K. McKeown, SN
  V/C Dick Kyle, SN  R/C Michael J. Horowitz, JN
  V/C Frank A. Dvorak, SN  R/C William M. Bellinger, SN
V/C Robert A. Baldrige, SN  R/C Robert A. Green, N
  V/C Joseph R. Mesenburg, SN  R/C Allan W. Lakin, SN
  P/C/C G. Leslie Johnson, SN

Guests present:

R/C Dave Hinders, SN  R/C Robert J. Sweet, SN
  P/V/C John T. Alter, SN  Mary Catherine Berube

**Report of the Chief Commander**

C/C Ernie G. Marshburn, SN, called the meeting to order at 0730, and P/C/C G. Leslie Johnson, SN, gave the invocation.

C/C Marshburn entertained a motion to approve the list of 2008 honorary members: Steve Budar, Virgil Chambers, Harry Cole, Pam Dillon, John Fetterman, Charles Holmes, John

The OCom discussed the National Association of State Boating Law Administrators Course Agreement, which was received by V/C Dick Kyle, SN, in October 2007. The agreement is a supplement to the NASBLA educational standards outlining the course approval process. It includes updates to course standards and terms and conditions for NASBLA course approval. The chief entertained a motion to approve the NASBLA Course Provider Agreement effective 1 Jan. 2008. The OCom ADOPTED the motion. (2007-OC-52)

The chief entertained a motion to approve a memorandum of understanding with Weems & Plath. The OCom ADOPTED the motion. (2007-OC-53)

The OCom discussed a proposed MOU with Maritech Corporation, a California marine company that develops boating safety equipment. It was noted that the MOU contains requirements that should be included in a contract agreement. The OCom ADOPTED a motion to approve an amended MOU with Maritech Corp., and to submit the MOU to Maritech for approval. LawCom will followup with a proposed contract. (2007-OC-54)

C/C Marshburn reported that the America’s Boating Course joint venture with the United States Coast Guard Auxiliary was terminated effective 23 Oct. 2007. He reported that USPS retained the rights to the name America’s Boating Course.

C/C Marshburn discussed the proposal made during the 2007 Governing Board to add outside directors to the USPS Board of Directors. OCom requested that the Committee on Rules draft a statement of direction for OCom review.

C/C Marshburn announced that he would recognize the USPS Highway Mariners during the 2008 Annual Meeting.
C/C Marshburn announced that he appointed an ad hoc Communications Committee. This committee will focus on communications at all levels.

C/C Marshburn reported that the Operating Committee used electronic means between OCom meetings 1) to approve items 1, 2 and 4 of the District 2 resolution; 2) to approve a motion to sign corporate resolutions to authorize purchasing certificates of deposit at EverBank, Hillcrest Bank and National City Bank. The signers are Mary Catherine Berube and Yvonne Hill; and 3) to authorize a sponsorship at the 2007 National Boating Safety Advisory Council fall reception. The OCom ADOPTED a motion ratifying these actions. (2007-OC-55)

**Report of the National Executive Officer**

V/C Creighton C. Maynard Jr., SN, reported receiving a request from a group in Dubuque, Iowa, to form a provisional squadron. The OCom ADOPTED a motion to approve provisional squadron status to Dubuque Provisional Squadron and to assign it to District 10 for administrative purposes. (2007-OC-56)

V/C Maynard reported that Bush River/5, Everglades/8, Miami Beach/8, Irish Hills/9 and Salt Creek/24 are in the process of dissolving.

V/C Maynard reported the following meeting dates approved by the Governing Board:

- 2008 Annual Meeting, 17-25 Feb., Dallas
- 2009 Governing Board, 5-9 September, Kansas City, Mo.
- 2010 Annual Meeting, 30 Jan.-7 Feb., Orlando, Fla.
- 2011 Governing Board,11-17 Sept., Greensboro, N.C.
The Government and Partner Relations Committee reported an online blitz promoting National Preparedness Month in September 2007. The committee requested that districts appoint a district liaison and homeland security officer. A list of safe-boating partners can be found at www.usps.org/newpublic2/partners.html.

The Recreational Boating Safety Committee reported that Sea Scouts assisted in saving the life of a USPS member during a Sea Scout boat safety training mission. The chief entertained a motion to approve a Lifesaving Award for Andrew Bohuslav, Sea Scout Ship 77; Conner Bost, Sea Scout Ship 468; Gabriel McCorkie, Sea Scout Ship 1942; Melissa Roesner, Sea Scout Ship 1993; and Samuel Walker, Sea Scout Ship 512. The OCom ADOPTED the motion. (2007-OC-57)

C/C Marshburn entertained a motion to approve a Lifesaving Award for P/D/C Lee Popham, AP, Miami/8; Patricia Walker, Vero Beach/8; and Peter McKenna, S, Rockville/5. The OCom ADOPTED the motion. (2007-OC-58)

The Cooperative Charting Committee will present the 2007 Golden Eagle Award during the 2008 Annual Meeting in Dallas.

The Vessel Safety Check Committee reported that vessel safety checks are up by 15 percent compared to one year ago. The committee reported that 293 members were eligible for the contest to mark the 60th anniversary of the Vessel Safety Check Program. For every 20 inspections a vessel examiner reports he or she will be entered in a contest to win a berth on board the USCG Eagle. The drawing will be held at the 2008 Annual Meeting. Details are available on the committee’s website at www.usps.org/national/vsc/eagleberth07.html.

The USPS Environmental Committee reported distributing information on the International Coastal Cleanup effort and aquatic nuisance species, the USPS Environmental Poster, How to Get Started on an Environmental Project Primer and the USPS Environmental
Best Practices for Boaters brochure at its Expo booth in Norfolk, Va.

The Environmental Committee reported receiving several entries from squadrons participating in environmental cleanups. The committee will present awards during the 2008 Annual Meeting recognizing the largest piece of debris recovered, the most unusual debris recovered, the most disgusting debris recovered, the funniest debris recovered and the most participants. The committee reported that information on the 2008 BoatU.S. Clean Water Grants can be found at www.usps.org/national/envcom/Files/grants.pdf.

Report of the National Educational Officer

V/C Dick Kyle, SN, reported that America’s Boating Course will be merged with the 2008 Squadron Boating Course. He reported that in late 2008 USPS will offer one course for classroom instruction and an online public course.

V/C Kyle reported that New Jersey will require course providers submitting applications for state boating certificates to use an online reporting system. The Educational Department will develop a method to electronically collect and submit boating course completion data.

The national educational officer reported that USPS will present Using Marine Radar, Using VHF and Anchoring seminars during the Trawler Fest/PassageMaker University in Stuart, Fla., on 24-26 Jan. 2008.

V/C Kyle reported that squadrons presenting USPS seminars must include the USPS syllabus and ancillary materials, or the students will not receive credit for the seminar.

V/C Kyle discussed a proposal to add an organizational membership that would allow members of other organizations to take USPS member courses. He also suggested modifying corporate membership to permit corporate members to take USPS member courses. Participating
squadrons would set course fees for these member categories that could be higher fees than charged to regular members. These members would not be entitled to vote, hold office or participate in local squadron activities other than taking courses.

V/C Kyle reported that 16 USPS members have completed the United States Sailing Association program to become certified instructors for the Boat Operator Certification Program. He noted that acquiring adequate insurance coverage for instructors participating in the Boat Operator Certification Program is critical.

The OCom ADOPTED a motion to destroy obsolete inventory including Seamanship 101 student manuals at a value of $1,408, Seamanship Beta student manuals at a value of $824, and Chart Smart instructor manuals at a value of $1,650.36. (2007-OC-59)

V/C Kyle invited R/C Robert J. Sweet, SN, assistant national educational officer, to present “The Business of Education.” R/C Sweet reported that close behind member dues, educational sales provide the principal funding for USPS. He noted that the ratio of educational sales to dues is probably the lowest of any boating organization and that the Educational Department is working to boost the ratio. He said that USPS should treat education as a business, noting that income generated from educational products supports many facets of USPS.

R/C Sweet stated that member dues are declining and that it is imperative that education help fill the shortfall. Noting that education is the reason that most members join, he said that USPS must offer appropriate programs to recruit new members and to keep them engaged. He said that new educational programs could reverse the membership decline, but that it would take a year or two to turn the corner.

He reported that public boating safety course attendance is declining and that the Educational Department created the USPS Seminar series to attract boaters to USPS. He said that the public boating course will be improved to reverse the downward trend in membership.
Noting that the USCG Auxiliary’s decision to dissolve the ABC joint venture came at an opportune time, he announced that the new boating course scheduled for release in spring 2008 will be titled “America’s Boating Course.” He said that ultimately there will be one book for both classroom and online instruction, adding considerable flexibility.

R/C Sweet noted that USPS’ competitive advantage lies in having the best material combined with a delivery system of 450 squadrons located anywhere boaters congregate. He said the support system in place had been severely limited by budget cuts and obsolete systems.

He reported that USPS educational programs currently provide 45 percent of gross revenue and 30 percent of the gross margin, excluding investment income. He noted that other organizations, such as the Royal Yachting Association, generate more than 70 percent of gross revenue from books and educational programs.

R/C Sweet reported that more than 8,000 copies of seminar materials were sold in the first year of the program, which generated more than $160,000 of unbudgeted gross revenue and more than $104,000 of unbudgeted gross margin. He noted that these sales were based on only four topics and that there will be more than a dozen topics available in 2008. He said that usage is increasing steadily, doubling the output of the Educational Department. He reported that the updated Seamanship, Junior Navigation, and Engine Maintenance courses are selling at more than three times last year’s rates. He said that the updated JN Course is generating renewed interest in Navigation. He said that Boat Operator Certification will drive members to take courses, which should increase elective course completions.

He noted that the 2007 estimated percentage of gross margin from educational programs will be 36 percent compared to 30 percent in 2006. He reported that 2008 budget estimates are 39 percent. The Educational Department anticipates that this estimate may increase to 50 percent during the next few years.
R/C Sweet said that the challenge and limiting factor is the current dispersed volunteer structure. He said that the team is burning out and creating new products is becoming more difficult. He said that some functions currently performed by volunteers, including layout, formatting and graphics, should migrate to professionals. He noted the need to hold a national educational conference to provide quality time for committees to meet with DEOs and leadership staff.

He noted that headquarters staff reductions have made it difficult to meet delivery demands at times. He said that headquarters needs the proper tools to ensure a quality inventory management and fulfillment system that would enable squadrons to order online and check order status in real time.

R/C Sweet concluded by saying that USPS must be prepared to reinvest 20 percent of educational gross margin over and above current headquarters expenses to build the team and tools that will expand and market the product offerings. He noted that the overall business plan leverages and builds on the Educational Department’s core strengths to provide business stability to USPS and to rebuild membership. He said that USPS must take a commanding lead in boating education.

Report of the National Administrative Officer

V/C Frank A. Dvorak, SN, reported that the Governing Board approved a USPS corporate membership at the 2007 Annual Meeting. He said the biggest challenge to corporate memberships is that nonmembers cannot take USPS member courses.

V/C Dvorak reported that the Auxiliary Advisory Committee requested to disband. Following discussion, the OCom ADOPTED a motion to recommend that the Governing Board authorize disbanding the Auxiliary Advisory Committee. (2007-OC-60)
The Leadership Development Committee reported that the leadership seminars “The True Essence of Leadership,” “Ten Ways to Get the Best out of Your Squadron,” “Leadership vs. Management,” and the *Presenters Guide* were combined on a CD-ROM. A copy was sent to all district commanders. The committee is updating the *District Job Descriptions* and *Squadron Job Descriptions* manuals.

The Membership Committee reported that the Boy Scouts of America will purchase 2,000 copies of the Watersmart from the Start manuals. The Educational Department will work with the Membership Committee to assist squadrons that did not teach a boating course in the 2006-2007 educational year.

V/C Dvorak reported that at its 2007 Annual General Meeting the Canadian Power & Sail Squadrons approved including one year’s membership in the cost of its basic boating course.

The Squadron Activities Committee reported that the USPS Amateur Radio Club received official affiliation with the American Radio Relay League. The committee reported that USPS Compass will include links to information on port captains, amateur radio, cruise and rendezvous, and the USPS Speaker’s Bureau.

V/C Dvorak reported a balance in the Century Fund of more than $1,125,000. He reported that an article promoting the fund will be published in the November issue of USPS Compass. He reported that a matching-funds campaign is under way and that $22,000 had been committed to date.

**Report of the National Secretary**

V/C Robert A. Baldridge, SN, reported that headquarters will bring in a temporary worker in the warehouse as needed to expedite orders. Headquarters marketing services is developing a survey to determine interest in implementing a headquarters Ship’s Store production of squadron
merchandise and committee shirts.

V/C Baldridge reported that R/C Dave Hinders, SN, is working with the Membership Committee to implement a contact link for the “How to Become a Member” page, which receives about 200 hits weekly. V/C Baldridge reported that the USPS home page received a facelift and added links to Safe Boating Partners, a USPS calendar and a Squadron Officer’s Guide.

The national secretary encouraged national committees to take advantage of USPS News and USPS Bulletin to send messages to the public and members.

The Information Technology Committee reported receiving 62 electronic merit mark submissions as of 31 Oct. 2007. A spell checker feature was added to the merit mark portion of DB2000. ITCom is working an automated system to confirm invalid e-mail addresses for district and squadron officers.

The Publications Committee is working on the 2007 Distinction in Journalism awards.

R/C Dave Hinders, SN, reported on a plan to implement USPS communications. He stated that the highest priority is e-mail address integrity to ensure the ability to communicate. He noted that ITCom is developing tools to validate e-mail addresses. He also reported that ITCom is developing a message delivery tool. He noted that the primary channels for news delivery to members and the boating public are The Ensign, USPS Compass, and USPS News and departmental newsletters.

He said that discussion forums are useful if kept on track by a moderator. He noted that many USPS mail lists already serve as discussion forums and that he is seeking a management tool.
Report of the National Treasurer

V/C Joe Mesenburg, SN, reviewed the 30 Sept. 2007 Statement of Revenues and Expenses, which includes the operating budget. The operating revenues were $1,534,779 versus operating expenditures of $1,374,992; revenues exceeded expenses by $159,787.

V/C Mesenburg reported that revenues were up $15,665 and expenses were down by $122,784 compared to one year ago. He discussed the variances of individual departments and line items and stated that he was very pleased with the financial operations relative to the operating budget.

The national treasurer discussed alternative revenue generating initiatives. He said that the E-Commerce initiative was progressing nicely under the guidance of Ken and Sue Moon. He noted that questions should be directed to the Moons at 614-496-7717 or by e-mail at kmoon@camsysco.com.

Report of the Finance Committee

R/C Michael J. Horowitz, JN, reported that the total investments under the management of the Finance Committee totaled $3,184,947.79 as of 30 Sept. 2007. These investments are divided into three major portfolios.

R/C Horowitz reported that as of 30 Sept. 2007 the USPS investment portfolio totaled $1,030,224.66; mutual fund holdings totaled $648,563.29; certificate of deposit holdings totaled $305,832.18; money markets totaled $55,829.19; and the Funk Estate totaled $20,000. He reported that the total return on these investments as of 30 Sept. 2007 was $65,566.93, or 9.6 percent.

R/C Horowitz reported that the Endowment Fund totaled $1,126,776.16 as of 30 Sept. 2007. The fund’s asset allocation was invested in three mutual funds totaling $298,357.16,
$780,000 in eight certificates of deposit and $48,418 in a money market fund. The investment performance of the mutual funds through Sept. 2007 was a gain of $30,916.54, or 11.56 percent.

District and squadron funds totaled $1,027,947.97 as of 30 Sept. 2007. These funds are invested in 10 certificates of deposit, totaling $975,017.97, with staggered maturity dates, and money market funds in the amount of $52,930. R/C Horowitz reported that the Law Committee is studying how to better segregate district and squadron funds, possibly by establishing a trust account.

R/C Horowitz reported on the financial alarm test. At the end of FY2006, assets determining the alarm test totaled $2,619,821, which was $380,179 below the $3 million control limit. As of 30 Sept. 2007 these assets totaled $2,717,332, which was $282,668 below the control limit.

**Report of the Committee on Nominations**

R/C Anthony J. Aquilato, SN, reported that the Committee on Nominations is completing the 2008 slate of officers for presentation to the Governing Board.

**Report of the Committee on Rules**

R/C Allan W. Lakin, SN, reported that the Committee on Rules is drafting revised Model Bylaws for Squadrons and has completed the revised Model Bylaws for Districts.

**Report of the National Law Officer**

R/C Noel K. McKeown, SN, reported that the ABC project agreement with the U.S. Coast Guard Auxiliary was terminated and that the net assets were divided. He noted that P/C/C Lance Jensen, SN, and V/C Kyle were instrumental in working out the details of the agreement,
which preserved the ABC name and additional intellectual property assets to USPS as the surviving partner.

R/C McKeown reported that a comprehensive review of USPS insurance coverage is under way and that he anticipated a proposal from the Chubb Group during this meeting. He said that LawCom would compare the proposal from Chubb with existing policies. He said that it may be necessary to request a short-term policy from St. Paul Travelers to avoid being rushed into such an important decision.

He noted that Vick Moore, USPS’ agent with St. Paul Travelers, continues to be helpful and understands that USPS is serious about securing coverage for USPS University and on-the-water coverage. He stated that given its past history of service to USPS, it was only fair that St. Paul Travelers be given an opportunity to respond to the Chubb proposal. He anticipated having more details available for the December OCom Meeting.

R/C McKeown reported that the necessary insurance was acquired for the USPS-EC Holdings Inc., corporate subsidiary. He reported that LawCom had not seen the policy language for liability or Directors & Officers policies. He reported that LawCom should not draft the “conditions of usage” documents for the E-commerce LLC because it would seriously compromise the effectiveness the subsidiary corporation.

The law officer reported that there were no new developments on the Kello vs. USPS lawsuit.

R/C McKeown stated that pending OCom approval of the online USPS magazine Power Savvy, LawCom would work with Bill Prince, editor and publisher, and CPS to develop a formal agreement. He noted that LawCom suggested that this enterprise should be run through the corporate subsidiary, USPS-EC Holdings Inc., since revenue from this enterprise would likely be classified as unrelated business income.
The national law officer reported hiring a Canadian law firm to handle registering the “USPS University” trademark in Canada.

LawCom filed a third extension for the continued use of the “Water Smart From the Start” trademark. A continued use must be filed by 16 Oct. 2007 for the “United States Power Squadron” and Design trademark.

R/C McKeown reported receiving notice of a $5,000 bequest from the Robert M. Colteryahn Estate. He noted that the will contains no restrictions on use of the funds, which are expected before the end of this year.

The law officer reported that a licensing agreement was signed with W.S. Sign Design Co. to produce aluminum signs advertising USPS.

R/C McKeown reported that LawCom was reviewing a contract with FloatTech to sell members a Type III flotation jacket with the USPS logo.

R/C McKeown reported that at the request of the Finance Committee, LawCom is drafting an Investment Management Agreement to be signed by districts and squadrons that have invested funds managed by the Finance Committee.

The law officer reported that information on the new tax issue is available on the committee’s website at www.usps.org/national/lawcom/epostcard.html.

Report of the Planning Committee

R/C William M. Bellinger, SN, reported that 55 members representing 22 districts attended the Leadership Development Workshop. He reported receiving positive feedback and that several districts have started working with their squadrons.
R/C Bellinger reported that districts were sent copies of the recruitment and retention reports prepared by the Planning Committee.

He reported that the committee is planning surveys on member demographics, desires and promotional ideas. The committee is developing a business model for USPS with 25,000 members. He noted that USPS needs a clearly defined identity to focus its marketing efforts. He stated that the Educational Department should consider a USPS with fewer teachers and more online courses.

R/C Bellinger reported that the Planning Committee is studying how USPS can shift from a dues-based revenue to an outside source revenue base. He noted that the shift can be accomplished through increased product sales and concentrated efforts on donations. R/C Bellinger made a motion to increase the proportion of USPS operating revenue derived from public sales and donations. The OCom ADOPTED the motion. (2007-OC-61)

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

R/C Robert A. Green, N, discussed the proposed agreement between USPS and Bill Prince, publisher and editor of *Classic Yacht Magazine*. He noted that the purpose of the agreement is to establish an online USPS magazine, *Power Savvy*. The magazine will be offered online free to USPS and CPS subscribers as well as to public boating course and seminar students. The OCom ADOPTED a motion to preliminarily approve an agreement between USPS and Bill Prince. (2007-OC-62)

R/C Green discussed a proposal to produce an online PRO-Log that will be available on the committee’s website. The OCom ADOPTED a motion to spend $3,000 to produce an online PRO-Log. (2007-OC-63)
R/C Green stated that USPS should offer a broader variety of public service announcements, particularly to radio stations. He said that 30- and 60-second radio commercials are relatively easy to produce. He proposed creating a new Marketing and Public Relations Committee competition for the best USPS radio PSAs. The OCom ADOPTED a motion to create a new Marketing and Public Relations award for the best USPS radio PSAs. (2007-OC-64)

He reported a balance of $358.42 in the “Your Guide to Safety Equipment” video grant account and a balance of $6,959.06 in the 2nd National Safe Boating Test DVD grant account. He reported an inventory of 634 copies of the “Your Guide to Safety Equipment” video and 1,329 copies of the 2nd National Safe Boating Test DVD. R/C Green proposed using these grant funds to distribute copies to squadrons and districts to promote USPS activities during 2008 National Safe Boating Week. Remaining copies will be distributed to television stations before 2008 National Safe Boating Week. The OCom ADOPTED the motion. (2007-OC-65)

R/C Green reported that the Marketing and Public Relations Committee will develop materials to promote America’s Boating Course.

**Report of the Past Chief Commander**

P/C/C G. Leslie Johnson, SN, reported that he represented USPS at a National Boating Safety Advisory Committee Meeting in October 2007. He reported on an effort by the state boating law administrators to developing uniform educational standards. He noted that all attendees strongly support wearing life jackets at boat shows and trade shows to demonstrate the importance of wearing a life jacket.

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C/C Marshburn adjourned the meeting at 1555.

V/C Robert A. Baldridge, SN
National Secretary

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1. A motion to approve the list of 2008 honorary members. (2007-OC-51)

2. A motion to approve the NASBLA Course Provider Agreement effective 1 Jan. 2008. (2007-OC-52)

3. A motion to approve a memorandum of understanding with Weems & Plath. (2007-OC-53)

4. A motion to approve an amended MOU with Maritech Corp., and to submit the MOU to Maritech for approval. LawCom will follow up with a proposed contract. (2007-OC-54)

5. A motion to ratify OCom actions 1) to approve items 1, 2 and 4 of the District 2 resolution; 2) to approve signing corporate resolutions to authorize purchasing certificates of deposit at EverBank, Hillcrest Bank and National City Bank. The signers are Mary Catherine Berube and Yvonne Hill, and 3) to authorize a sponsorship at the 2007 National Boating Safety Advisory Council fall reception. (2007-OC-55)

6. A motion to approve provisional squadron status to Dubuque Provisional Squadron and to assign it to District 10 for administrative purposes. (2007-OC-56)

7. A motion to approve a Life Saving Award for Andrew Bohuslav, Sea Scout Ship 77; Conner Bost, Sea Scout Ship 468; Gabriel McCorkie, Sea Scout Ship 1942; Melissa Roesner, Sea Scout Ship 1993; and Samuel Walker, Sea Scout Ship 512. (2007-OC-57)

8. A motion to approve a Lifesaving Award for P/D/C Lee Popham, AP, Miami/8; Patricia Walker, Vero Beach/8; and Peter McKenna, S, Rockville/5. (2007-OC-58)
9. A motion to destroy obsolete inventory including Seamanship 101 student manuals at a value of $1,408, Seamanship Beta student manuals at a value of $824, and Chart Smart instructor manuals at a value of $1,650.36. (2007-OC-59)

10. A motion to recommend that the Governing Board authorize disbanding the Auxiliary Advisory Committee. (2007-OC-60)

11. A motion to increase the proportion of USPS operating revenue derived from public sales and donations. The OCom ADOPTED the motion. (2007-OC-61)


13. A motion to spend $3,000 to produce an online PRO-Log. (2007-OC-63)


15. A motion to use remaining grant funds to distribute copies of the Your Guide to Safety Equipment video and the 2nd National Safe Boating Test DVD to squadrons and districts. (2007-OC-65)