The Operating Committee of United States Power Squadrons met on 6 Dec. 2008 at the national headquarters in Raleigh, N.C.

Members present:

C/C Creighton C. Maynard Jr., SN  R/C Allan W. Lakin, SN
V/C Frank A. Dvorak, SN  R/C L.D. Brown, SN
V/C John T. Alter, SN  R/C Noel K. McKeown, SN
V/C David L. Hinders, SN  R/C Michael J. Horowitz, JN
V/C Joseph R. Mesenburg, SN  R/C William M. Bellinger, SN
R/C Robert J. Sweet, SN  P/C/C Ernie Marshburn, SN
                           Stf/C Greg Scotten, SN

Guests present:

R/C Jean Hamilton, SN  Stf/C Thomas H. Ellis, JN
R/C Dick Peoples, SN  Mary Catherine Berube
                      Stf/C Bill Neef, SN

Report of the Chief Commander

C/C Creighton C. Maynard Jr., SN, called the meeting to order at 0830, and R/C Mike Horowitz, JN, gave the invocation.

C/C Maynard reported that the Board of Directors ratified its previous motion to sign an
Affiliate Agreement with Citizen Corps during its meeting on 5 Dec. 2008.

The chief discussed the need to move USPS from a dues-based organization to a marketing organization. He reported that the Educational Department will work with the headquarters marketing manager to increase educational sales.

C/C Maynard reported that 82 percent of squadrons are now participating in headquarters anniversary billing. He noted that there are many inefficiencies caused by managing two dues collection systems. The OCom ADOPTED a motion recommending that the Governing Board make headquarters anniversary billing mandatory and to direct the Committee on Rules to draft the necessary Bylaws amendment. If approved, mandatory headquarters anniversary billing would become effective with the 2010 dues renewal, beginning on 1 June 2009. (2008-OC-8)

The chief reported that the BOD discussed its rationale for recommending that the Governing Board eliminate the Auditing Committee, including 1) the benefit and the financial information the internal auditors provide USPS, Governing Board members, National Treasurer, and the leadership has been limited in scope; 2) that outside audit requirement has expanded to the degree during the past two years that the usefulness of the USPS internal Auditing Committee has been diminished substantially and is redundant in nature; 3) that the outside auditors, because of the new Federal auditing requirements and reporting, will increase their fees from $13,823 in 2007 to an estimated $25,000 for 2008; 4) continuing to budget $8,500 for an internal Auditing Committee (R/C reimbursements, the air travel and the lodging expenses) is not financially prudent considering the reporting requirements required of the outside auditing company, and 5) that the internal Auditing Committee is short of qualified personnel. The BOD subsequently ratified its decision to ask the Governing Board to eliminate the Auditing Committee and directed the Committee on Rules to prepare the necessary Bylaws amendments.

The OCom discussed reducing the number of Auditing Committee members in lieu of eliminating the committee. The OCom DEFEATED a motion to recommend that the Governing Board reduce the number of Auditing Committee members from five to three. (2008-OC-1)

C/C Maynard reported that he asked the Planning Committee and Tom Kemp, headquarters marketing manager, to survey members about an organizational name change. The chief reported that the survey was sent to all members who had a valid e-mail address, resulting
in 19,300 e-mails delivered. The response rate was 33.3 percent or 6,430 respondents. Of those respondents, 1,620 offered input on suggested name changes. The top five suggestions were

1. United States Power & Sail Squadrons, 386
2. United States Sail & Power Squadrons, 344
3. America’s Boating Club, 200
4. United States Boating Squadrons, 125
5. The United States Boating Club, 68

C/C Maynard reported that members of District 5 discussed a potential organizational name change during its 2008 Fall District Conference. The chief expressed his appreciation to the members of District 5 for participating in the ongoing discussions.

The chief stated that national officers’ reports will no longer be included in the seat packets distributed at national meetings due to increased costs. C/C Maynard reported that a CD-ROM, which includes national officer’s reports and national committee presentations, is produced for each national meeting and can be purchased for $5. These reports are also available at www.usps.org/national/natsec/seatpacket.html.

**Report of the National Executive Officer**

V/C Frank A. Dvorak, SN, reported that he would ask the Governing Board to dissolve Lancaster/5 and Schuylkill River/5 during the 2009 Annual Meeting in Anaheim, Calif.

V/C Dvorak reported that he met with the developer of sailangle.com, a general boater-to-boater Website. The developer has requested a link from the USPS site and has offered to advertise USPS courses.

The Cooperative Charting Committee reported that 391 members had submitted 92,780 Cooperative Charting reports year to date. The committee reported that the project with the U.S. Army Corps of Engineers was on hold due to funding issues. The committee is working on a new program with the National Oceanic and Atmospheric Administration to provide corrections for the Electronic Navigational Charts Program.

The Environmental Committee encouraged members to participate in the Ocean
Conservancy International Coastal Cleanup Program. The committee reported that Grand Lakes Sail & Power Squadron received a grant to advertise shoreline cleanup from the Grand River Dam Authority, which controls more than 1,300 miles of shoreline. The committee is developing a series of presentations on environmental boating issues.

The Government and Partner Relations Committee is developing a plan to involve members in the Citizens Corps Affiliate Agreement. The committee reported that C/C Maynard signed a memorandum of understanding with the American Boat and Yacht Council.

The National Meetings Committee renegotiated the hotel contracts and reduced the room count guarantee for the 2009 Annual Meeting in Anaheim, Calif., and the 2009 Governing Board in Kansas City, Mo.

The Squadron Development Committee reported that The Valley Sail & Power Squadron and the Colonial Sail & Power Squadron will receive their charters during the 2009 Annual Meeting.

The Vessel Safety Check Committee reported that it anticipated meeting its goal of performing 32,000 vessel safety checks in 2008. The committee reported that State Farm would reduce the number of vessel safety decals in 2009 by 38 percent. The committee is working on an agreement where vessel examiners would receive discount points toward purchases of Orion products.

V/C Dvorak reported that the BOD is encouraging squadrons to participate in two voluntary initiatives to increase membership and educational sales. The first initiative is to include the cost of one year’s membership with the ABC3 course. The second is to offer advanced grade and elective courses to nonmembers and include the cost of one year’s membership.

V/C Dvorak reported on a lifesaving event and recommended awarding a USPS Safety Award to James A. Jones, AP, North Olympic/16 and Gerald D. Cross, P, Olympia Sail/16. The OCom ADOPTED the motion. (2008-OC-9)
Report of the National Educational Officer

R/C Robert J. Sweet, SN, assistant national educational officer, gave the report due to the unavoidable absence of V/C Dick Kyle, SN.

R/C Sweet updated OCom on the status of new courses. He reported that the ABC 3rd edition manual, CD-ROM, Maptech CD-ROM and exams are complete. The ABC website will be upgraded in January 2009 to conform with ABC 3rd edition. He reported that the Weather 2008 student and instructor manuals and CD-ROM are complete. The Weather kit includes a free cloud chart from NOAA. The Marine Electrical Systems student manual, now complete, is being beta-tested. Navigation 2008 beta sessions are near completion. The Nav08 kit will include updated CAPN software. Available in early 2009, Sail 2009 has been consolidated into a single text co-branded for USPS and the Canadian Power and Sail Squadrons.

R/C Sweet updated OCom on the status of seminars. The Advanced Powerboat Handling Seminar is available at headquarters. The Rules of the Road Seminar is being beta-tested at TrawlerFest events. The Marine Compass Seminar is under development.

The assistant national educational officer reported that 24 students have enrolled for the online Seamanship Course on the University of West Florida’s website. He noted that 11 seminars are also available on the university’s website.

R/C Sweet reported that the number of Boating classes reported is down 34 for the education year 2009 to date (July 2008 through October 2008) compared with the same period one year ago, with only 116 out of 437 squadrons reporting. The number of students for the same time period is 2,103, which is 257 less that one year ago. R/C Sweet reported that increased efforts to market ABC3 should increase the number of boating students.

The assistant national educational officer reported that the Educational Department would offer a seminar on selling public courses during the 2009 Annual Meeting in Anaheim, Calif., on Friday, 20 Feb. R/C Sweet emphasized the importance of selling USPS courses to nonmembers and to vendors for resale.
The national educational officer reported that 7,700 member courses were sold from December 2007 through October 2008, which is 28.8 percent less than last year. He noted that the drop in course sales was influenced largely by the soft marine market and the declining membership base. Navigation sales increased by 261 percent due to the new beta course; Junior Navigation decreased by 55 percent; Seamanship, Piloting and Advanced Piloting decreased by approximately 30 percent; Weather decreased by 47 percent; Sail decreased by 30 percent, Engine Maintenance decreased by 27 percent, Cruise Planning decreased by 25 percent, and Marine Electronics decreased by 17 percent.

He noted that 6,000 seminars were sold from December 2007 through October 2008, which is 14.6 percent less than one year ago. R/C Sweet encouraged squadrons to teach seminars to nonmembers and to recruit these potential members.

R/C Sweet reported that the Educational Department had planned for the Boat Operator Certification Program to be operational for most of 2008. He said that since acquiring appropriate insurance in July 2008, the first level of BOC was released in mid-September. He reported that 124 Inland Navigator Certification kits were shipped through October 2008.

R/C Sweet reported that the Educational Department reforecast 2009 educational sales based on 2008 sales and anticipated a further erosion in public boating course sales, which resulted in a reduction of approximately $160,000 in budgeted net margin. He noted that new-product margins are substantially higher but that raising prices to squadrons would only further reduce the number of units sold.

The assistant national educational officer reported that tight markets require aggressive marketing strategies and that marketing support for 2008 was all but non-existent. He reported that the Educational Department is working with headquarters marketing to promote ABC3 and to provide marketing materials for squadrons. He said that the Educational Department would continue to offer “train-the-trainer” programs for instructors. R/C Sweet recommended developing a forum where squadrons could share successful educational stories.

R/C Sweet followed up on a teleconference with the superintendent of the New Jersey Marine Services Bureau to discuss a public boating mandatory boating education law. The law states that instructors must be certified and complete a background check. He said that the
Educational Department was advising New Jersey squadrons to include the costs of background checks with the costs for teaching Boating courses or alternatively to focus on teaching seminars.

R/C Sweet reported that the Educational Department would apply for two USCG grants in January 2009. The first grant would request funding to provide USPS promotional materials with new boat sales. The second grant would request funding for USPS to manage advanced boater education.

**Report of the National Administrative Officer**

V/C John T. Alter, SN, reported that the total number of active members was 37,774 as of 30 Nov. 2008, or 2,743 less than one year ago; family membership was 4,904, or 408 less than one year ago; and the number of apprentice and Sea Scout members was 156, or 24 more than one year ago. He noted that fewer new boat sales affects the number of boating course students, and he encouraged squadrons to focus on existing boaters by teaching seminars and increasing the number of advanced grade and electives courses taught to new members. He said that the Membership Committee would focus on member retention during 2009.

V/C Alter reported that despite decreasing membership, several districts and squadrons reversed the downward trend as reflected in the 2008 Membership Committee Awards presented during the 2008 Governing Board Meeting:

**2008 Selden Membership Involvement Retention Award**

Squadrons:  
1st Place - North Olympic Sail/16  
2nd Place - Sarasota/22  
3rd Place - Lake Charles/21

Districts:  
1st Place- District 28  
2nd Place - District 5

**Membership Growth Awards (top 20 percent)**

Lakes Charles/21, 72.34 percent growth  
Kanawha River/7, 30.43 percent growth  
Tokyo/13, 50.70 percent growth
Friday Harbor/16, 28.43 percent growth
Harris Chain/23, 48.78 percent growth
Boulder Valley/30, 25 percent growth
Fostoria/29, 43.06 percent growth
Golden Isles/26, 23.33 percent growth
San Luis Rey/28, 38.81 percent growth
Lakeland/22, 21.05 percent growth
Kent Narrows/5, 37.10 percent growth
Moriches Bay/3, 20 percent growth

V/C Alter reported on the results of the 2008 Boarman National USPS Youth Poster Contest:

Ages 6-8
1st Place - Lane A. Sweeney, age 7, District 5
2nd Place - Cheyenne Hewlett, age 8, District 9
3rd Place - Katherine Ligenfelter, age 8, District 22

Ages 9-11
1st Place - Matthew Walker, age 11, District 5
2nd Place - Sara, age 11, District 30
3rd Place - Savannah Waddell, age 11, District 31

Ages 12-14
1st Place - Kathleen Murray, age 12, District 5
2nd Place - Paige Hietpas, age 12, District 10
3rd Place - Cole Yates, age 12, District 27

V/C Alter reported that the Leadership Development Committee will assume responsibility from the Planning Committee for the Leadership Development Workshop Program. The committee requested adding a second staff commander whose sole responsibility will be the Leadership Development Workshop Program. The OCom ADOPTED a motion to add a second staff commander for the Leadership Development Committee, effective at the 2009 Annual Meeting. (2008-OC-10)
The Squadron Activities Committee is working with the Auxiliary Advisory Committee to ensure continued support for squadron auxiliaries.

V/C Alter reported that District 21 cancelled its 2008 Fall District Conference due to Hurricane Ike. He reported that District 21 completed its conference responsibilities via electronic methods, and he commended D/C Jean Hamilton, SN, and the members of District 21 for their efforts.

**Report of the National Secretary**

V/C David L. Hinders, SN, reported that he signed corporate resolutions to purchase certificates of deposit at California 1st National Bank and North State Bank.

V/C Hinders reported that a squadron simplification survey was sent to squadron commanders and that 35 responses were received. He reported that the Planning Committee would be assigned to define the steps required to make running a squadron simpler and to identify activities that are mandatory and those that are optional.

The national secretary reported that headquarters is frequently involved in projects that offer new services, cut costs and improve the USPS experience. He noted that because of limited resources a project tracking system was implemented.

The Publications Committee is reviewing submissions for 2008 Distinction in Journalism awards. These awards will be posted on the committee’s website in early January 2009, and the certificates will be presented to district commanders at the 2009 Annual Meeting.

The Information Technology Committee reported that the latest version of DB2000 is 9.3.1, which includes enhancements to organizational structure, OD-1 and OD-2 form submissions, and merit mark submissions. ITCom has also developed a DB2000 user group.

The Ship’s Store Committee encouraged members to visit the Ship’s Store “Sail Rack” at www.shopusps.org, which features discontinued items at significant discounts. The district/squadron rebate program distributed $1,948.47 to districts and an equal amount to squadrons for a total distribution of $3,896.94 in 2008. V/C Hinders reported that districts sold $5,769.60 at the 2008 district conferences, which resulted in $1,141.20 returned to districts and squadrons.

V/C Hinders reported that a scrolling display of all 2009 Annual Meeting activities can be found on the USPS homepage. He noted that a link to information about squadron liability insurance can be found under “Member Stuff.”

Mary Catherine Berube, headquarters director, reported on WebEx, a multimedia communications solution to large-scale online events. The BOD agreed to participate in a demo to consider the viability for use at district or national meetings.

**Report of the National Treasurer**

V/C Joseph R. Mesenburg, SN, reported that as of 30 Nov. 2008, unaudited figures showed that YTD expenses were $69,822 over operating revenue. He reported that net educational sales were $225,7790 versus $527,140 budgeted; dues revenue was $1,230,169 versus $1,213,345 budgeted; net Ship’s Store sales were $7,783 versus $35,000 budgeted; investment income was $27,875 versus $46,200 budgeted; and America’s Boating Course sales were 0 versus $40,000 budgeted.

V/C Mesenburg reported that the 2009 budget would be revised due to a projected revenue shortfall in net educational sales during 2008.

The national treasurer reported that the chairman of the Auditing Committee planned to recommend that the Governing Board eliminate the position of the National Meetings Committee treasurer and to return the accounting for national meetings to headquarters. V/C Mesenburg stated that he disagreed with the chairman’s recommendation and that reports from the NMC treasurer are thorough and provide the necessary details about national meeting income and expenses.
Report of the Finance Committee

R/C Michael J. Horowitz, JN, stated that his report was based on unaudited figures for the first 11 months of FY2008.

R/C Horowitz stated that the current financial crisis would have a deleterious effect on discretionary spending on boating and boating-related activities, which would impact revenue in 2009.

R/C Horowitz reported that funds under the management of the Finance Committee totaled $3,012,367.31, as of 31 Oct. 2008. These dollars are broken up into three major portfolios: investments valued at $837,492.41, the Endowment Fund valued at $1,135,823.90, and district and squadron funds valued at $1,039,051. He noted that the district and squadron investment program was discontinued as of the Fall 2008 GB Meeting. He said that funds will continue to be invested and that all funds would be returned on or before the termination date of 1 Jan. 2010.

R/C Horowitz reported that the financial alarm test as of FY2006 totaled $2,619,821, or $380,179 below the $3 million control limit. As of 31 Oct. 2008 the total was $2,529,554, or $470,446 below the control limit.

R/C Horowitz reported that he would ask the Governing Board to approve Langdon & Co. of Garner, N.C., as the external auditor for FY2009.

Report of the National Law Officer

R/C Noel K. McKeown, SN, reported that he would defer his report on LawCom activities and the status of USPS Intellectual Property holdings until the 2009 Annual Meeting.

R/C McKeown reported that LawCom has prepared a summary statement on USPS liability insurance that will be posted to the committee’s website.
The national law officer reported that LawCom is reviewing USPS contracts with the parties involved in the development of the ABC Course in reference to USPS intellectual property rights in the Course and Manual.

**Report of the Planning Committee**

R/C William M. Bellinger, SN, reported that the Planning Committee encouraged USPS to focus on pursuing corporate memberships; creating an ad hoc Development Committee to focus on non-dues revenue; hiring a professional consultant for the BOD; increasing member benefits; activating the immediate past district commander forum; polling district commanders on how to make the best use of chief commander’s representatives who attend district conferences; redefining current criteria for approving merit marks; and changing Bowsprit Program criteria.

R/C Bellinger reported that results of the Member Survey will be posted on the committee’s website and distributed via the District Planning Network.

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

Stf/C Gregory Scotten, SN, presented the Marketing and Public Relations Committee report, due to the absence of R/C Robert A. Green, N.

The Marketing and Public Relations Committee reported adding nine pages to PRO-Log, including information from the U.S. Coast Guard website, boat shows, and SOSpenders life jackets. The committee plans to add information about District 5 marketing programs and how to hold a district Expo.

Stf/C Scotten reported that the committee is developing a marketing strategic plan and is seeking input from district public relations officers with the goal that USPS is the “go to” organization for recreational boating needs.

Stf/C Scotten reported that the committee submitted 20 articles to boating magazines during 2008. He reported that the committee will create a library of public relations articles for
squadron use. He noted that boating seasons vary depending on region and that squadrons need programs tailored to fit individual needs.

Stf/C Scotten reported that the committee is promoting the Captain’s Challenge Club, which recognizes boating clubs whose captains have completed a boating safety course.

**Report of the Committee on Nominations**

R/C L.D. Brown, SN, reported that the Committee on Nominations had prepared the list of 2009 nominees for presentation to the Governing Board at the 2009 Annual Meeting.

**Report of the Committee on Rules**

R/C Allan W. Lakin, SN, reported that the Committee on Rules was asked to identify the steps to eliminate a standing committee of the Governing Board. R/C Lakin reported that all standing committees are described in the USPS Bylaws and eliminating a standing committee would require amending the Bylaws.

R/C Lakin reported that ComRules is researching the requirements to add outside members on the BOD.

C/C adjourned the meeting at 1600.

V/C David L. Hinders, SN
National Secretary

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Action Items
Operating Committee
6 Dec. 2008

APPROVED

1) A motion recommending that the Governing Board make headquarters anniversary billing mandatory and to direct the Committee on Rules to draft the necessary Bylaws amendment. If approved, mandatory headquarters anniversary billing would become effective with the 2010 dues renewal, beginning on 1 June 2009. (2008-OC-8)

2) A motion to present a USPS Safety Award to James A. Jones, AP, North Olympic/16 and Gerald D. Cross, P, Olympia Sail&/16. The OCom ADOPTED the motion. (2008-OC-9)

3) A motion to add a second staff commander for the Leadership Development Committee, effective at the 2009 Annual Meeting. (2008-OC-10)

DEFEATED

1) A motion to recommend that the Governing Board reduce the number of Auditing Committee members from five to three. (2008-OC-1)