

National Model Railroad Association  
2016 Annual Board of Directors Meeting  
July 2, 2016  
Westin Hotel Indianapolis, IN  
Final Minutes

- 1) PREZ Getz, HLM, called the meeting to order at 0900 02 July 2016.
- 2) PREZ Getz, HLM, asked that all Directors, Officers, Department Managers, and observers introduce themselves.
- 3) **MBOD16070201** Motion by ALWWD Brestel, HLM, to suspend the rules. Seconded by CAND Headon, MMR. Motion passed by voice vote.
- 4) The roll was called and all Directors were present. All Officers were present except for VP-ADMIN Kooning, MMR, who was unable to attend due to a knee injury from a boating incident. All Department Managers were present except for CAO Hendricks who was attending to Convention issues.
- 5) A quorum was present.
- 6) Since all Directors were present, there were no proxies.
- 7) There was no correspondence.
- 8) **MBOD16070202** Motion by CDD Magoun, MMR, to accept the Combined Ballot Committee Final Report as presented and to destroy the ballots. Motion seconded by CAND Headon, MMR. Motion passed by voice vote.
- 9) **MBOD16070203** Motion by PDD Bartlett to accept Consent Agenda as presented. Seconded by EDD Gelmini, MMR. Motion passed by voice vote.
- 10) Corrections/addition to all reports.
  - a) SCDM Voss, MMR, presented a supplement to his report.
    - i) When the clearance gauges were first developed, the center of track to sidewall minimum was set at 7' 6". The American Railroad Engineers Association manual clearly states the distance should be 8' 0".
    - ii) We have continued to use 7' 6" since the gauges were originally designed in 1940.
    - iii) No changes to the gauges are planned at this time.
  - b) ITDM Sevier presented a report from our Facebook page monitor Ken Liesse.
- 11) SECY Stevens gave an update on the RMR Gold Award Referendum. It appears there will be no further action on the referendum.
- 12) CFO Koch, HLM, led a detailed discussion of his Budget & Finance Report.
- 13) CFO Koch, HLM, led a discussion on the Audit Report.
- 14) **MBOD16070204** (See Attachment B) Motion by ALWWD Brestel, HLM, to accept the Audit Report as presented. Seconded by ALNAD Youngblood, MMR. Motion passed by voice vote.
- 15) CFO Koch, HLM, led a discussion on updates made to the Budget.

- 16) **MBOD16070205** (See Attachment C) Motion by ALWWD Brestel, HLM, to update the Budget as proposed by CFO Koch. Seconded by PDD Bartlett. Motion passed by voice vote.
- 17) CFO Koch, HLM, led a discussion on the EHB Donations Policy.
- 18) **MBOD16070206** (See Attachment D) Motion by ALWWD Brestel, HLM, to amend the Donations Policy. Seconded by CAND Headon, MMR. Motion passed by voice vote.
- 19) CFO Koch, HLM, led a discussion on the EHB Asset Capitalization Policy.
- 20) **MBOD16070207** (See Attachment E) Motion by ALWWD Brestel, HLM to amend the Asset Capitalization Policy. Seconded by CDD Magoun, MMR. Motion passed by voice vote.
- 21) PREZ Getz, HLM, led a discussion on the Gallery Exhibit.
  - a) CSRRM Executive Director Paul Hammond has been temporarily assigned to another state project. His supervisor will fulfill his duties.
  - b) PREZ Getz and Bob Brown will be meeting with the new interim director.
  - c) The library will be moving at the same time the exhibit is being installed.
- 22) Discount Program Coordinator Weinheimer, MMR, reported that he is working on a hobby shop discount flyer. The flyer will be accompanied by a letter from PREZ Getz.
- 23) COUNSEL Amsler led a discussion on the Integration of Regions and Divisions.
  - a) The IRS has rejected our initial application for legal technical reasons.
  - b) We are contracting with a law firm specializing in tax issues to advise on a path forward to correct the legal technical reasons and refile our paperwork.
- 24) PREZ Getz, HLM, led a discussion on the Model Railroad Registry Program. The committee is working on many issues. The program will be an opt-in plan to protect the member's personal data.
- 25) PREZ Getz, HLM, led a discussion on the Layout Registry Program. The program will be in the member's only section of the website. A member will be able to go online and register the name of their layout. A Certificate will then be mailed to the member.
- 26) Meeting recessed at 1020.
- 27) Meeting reconvened at 1040.
- 28) ALNAD Youngblood, MMR, led a discussion on Retention and Recruitment.
  - a) The tri-fold pamphlet he developed based on Piedmont Division successes will be posted on the NMRA website and advertised in the NMRA Magazine. He also led a discussion on an ongoing program in the Piedmont Division to speak to local civic organizations. He, assisted by others from the division, has given three presentations to date.
  - b) Many members are not aware of the 113-page Retention and Recruiting document developed by Jack Hamilton, MMR, and his R&R Committee. The short form of this document will be posted to the Website, with the full version made available on Flash Drives to those interested.
- 29) CFO Koch, HLM, led a discussion on the European Region.
  - a) The ER has a new Membership Chair.
  - b) The region has a new bank account.

- c) The region finances will soon be separated from the finances of the British Region.
- 30) PREZ Getz, HLM, led a discussion on ties with MOROP.
- a) There have been no changes since the last report.
  - b) PREZ Getz will be meeting with MOROP President Briegel later this summer.
  - c) MOROP is looking for someone to translate their documentation into English. Marketing Consultant Ganzer noted that she is fluent in German and should be able to assist with that.
- 31) **MBOD16070208** (See Attachment F) Motion by CDD Magoun, MMR to accept the Border Adjustment Motion. Seconded by ALWWD Brestel, HLM. Motion passed on voice vote.
- 32) Meeting recessed at 1100. BOD goes into Executive Session.
- 33) Meeting reconvened at 1300.
- 34) There are two bids for the 2022 Convention. One is from the Pacific District and one is from the Atlantic District. ADD Millatt, MMR, was asked to leave the room while PDD Bartlett made his presentation. After the Pacific District presentation was finished, PDD Bartlett was asked to leave the room while ADD Millatt gave her presentation.
- 35) Meeting recesses at 1400. BOD goes into Executive Session. ADD Millatt and PDD Bartlett did not participate in the Executive session.
- 36) Meeting reconvenes at 1430.
- 37) PREZ Getz, HLM, reports that during the Executive Session the BOD discussed the following issues.
- a) The 2022 Convention bid was awarded to the British Region of the Atlantic District.
    - i) (SECRETARY NOTE: ADD Millatt, MMR, and PDD Bartlett were excused from the meeting room and did not participate in the discussion of the two proposals or in the vote to accept one of the proposals. Once that process was completed, they were both invited back into the meeting room and participated in all other business performed in the Executive Session).
  - b) The BOD passed a motion increasing the magazine subscription price as shown below.
    - (1) Effective 10/1/2016, the annual subscription rate for the NMRA Magazine will be the following:
      - (a) USA Members-\$28 USD (RailPass remains at \$9.95 USD)
      - (b) USA Student members-\$38 USD (this price is for membership dues AND subscription)
      - (c) US Sustaining members-\$116 USD (this price is for membership dues AND subscription)
      - (d) NMRA Canada members (FOB Guelph)-\$33 USD...**PLUS** local processing and Canada post as determined by NMRA Canada home office. (RailPass remains as CDN \$9.95)
      - (e) All other international members-\$53 USD for all geographies, delivered via FedEx.
  - c) The BOD passed a motion renewing the magazine contract with White River Productions for another four years.

- d) The BOD passed a motion pertaining to the Day Trust.
  - e) The BOD reviewed a report by COUNSEL.
- 38) SECY Stevens gave a report on "electionbuddy.com" which is an online voting procedure. It has recently been used by the Southeastern Region. It will soon be used by the Pacific Southwest Region. NMRA Canada is planning to use it for the 2017 elections. It may be used for the 2017 RACD election. It will most likely be used for the 2017 CDD election.
- 39) PREZ Getz, HLM, led a discussion on the magazine index.
- a) The BOD confirmed that they think the index is a great idea.
  - b) ITDM Sevier noted that his team can't get to the project until the end of the year.
  - c) The question of who will maintain the index up to date is still an issue.
- 40) PDM Phillips led a discussion on publications.
- a) The BOD approved an extension of the contract with White River Productions for a four years which included a small increase in cost.
  - b) An Action Group was formed to identify a way forward with print versus an online magazine. They will report to the BOD at midyear. Committee members are
    - i) Committee Chair VP-SPEC PROJ Gerry Leone, HLM, MMR.
    - ii) ITDM Ben Sevier.
    - iii) ALWWD Brestel, HLM.
    - iv) ADD Millatt, MMR.
    - v) CFO Koch, HLM.
    - vi) Marketing Consultant Ganzer.
- 41) WDD Priest, MMR, led a discussion on LCC.
- a) There are three manufacturers that currently have equipment available.
  - b) A guidebook similar to the DCC guidebook will be published.
  - c) We are no longer going to publish the ad that says you can program LCC without a computer. Although you can program LCC without a computer, use of a computer makes programming better and faster.
- 42) PREZ Getz, HLM, led a discussion on EduTRAIN.
- a) We have noticed some trademark issues. A clinic is not an EduTRAIN clinic until it has been vetted by the EduTRAIN Committee.
  - b) We need more clinics.
- 43) PREZ Getz, HLM, reported that the midyear meeting will be in February in Atlanta. The date will be confirmed as soon as possible.
- 44) PREZ Getz, HLM, Reported that VP-ADMIN Kooning will be coordinating volunteers. He will need to determine
- a) Volunteer needs of the organization.
  - b) Volunteers available and what they are capable of doing.
- 45) Meeting recessed at 1545.
- 46) Meeting reconvened at 0900 July 3.
- 47) VP-SPEC PROJ led a discussion on promotional videos

- a) He approached Kalmbach Model RR Video Plus Program and Train Masters about joining the direct to the member special email program.
  - b) We will start sending a message to the membership notifying them to expect these special notices.
- 48) ADD Millatt, MMR, led a Strategic Review Workshop. Her committee will compile the results and report to the BOD at the 2017 Midyear BOD Meeting.
- 49) ITDM Sevier led a discussion on the Magazine Index. He doesn't have the manpower or the capability to put it on the website. He is recommending getting outside assistance.
- 50) **MBOD16072009** Motion by ADD Millatt, MMR, to move monies from the Contingency Fund to the IT Budget to contract with New Media Campaigns to add the existing Magazine Index to the NMRA Website. Seconded by CAND Headon, MMR. Motion passed by voice vote.
- 51) The Publications Committee was directed to examine the index to insure it is worthwhile for use on the website.
- 52) PREZ Getz, HLM, led a discussion on ad swaps between the NMRA Magazine and other publications.
- 53) Motion by RACD August to adjourn in memory of Lee Riley from Bachmann, Wil Seaver (PNR), James Whaley, MMR, (PNR), Allan Dobson, (BR), and Tom Troughton, MMR, (MCoR). Seconded by ADD Millatt, MMR.
- 54) Meeting adjourned at 1200.

Respectfully Submitted  
John Gardner Stevens, III  
Secretary

## ATTACHMENTS

- A Abbreviations used in these Minutes
- B Text of **MBOD16070204** 2015 Audit Report Motion
- C Text of **RBOD16070205** Budget Changes Motion
- D Text of **RBOD16070206** Donated Securities Motion
- E Text of **RBOD16070207** Asset Capitalization Motion
- F Text of **RBOD16070208** Border Adjustment Motion

## ATTACHMENT A

### ABBREVIATIONS USED IN THESE MINUTES

ADD	Atlantic District Director
ALNAD	At-Large North America Director
ALWWD	At-Large Worldwide Director
ASST SECY	Assistant Secretary
CAND	Canada Director
CDD	Central District Director
CAO	Chief Administrative Officer/Administration Department Manager
CFO	Chief Financial Officer
COMMD	NMRA Communications Director
COUNSEL	NMRA Legal Counsel
DSA	Distinguished Service Award
EDD	Eastern District Director
EDUCDM	Education Department Manager
FA	Fellow Award
FRDM	Fund Raising Department Manager
HCC	Honors Committee Chair
HDMCC	Howell Day Museum Committee Chair
HLM	Honorary Life Member
ITDM	Information Technology Department Manager
KMLM	Kalmbach Memorial Library Manager
MARDM	Marketing Department Manager
MMR	Master Model Railroader
MSTDM	Meetings & Trade Shows Department Manager
PDD	Pacific District Director
PDM	Publications Department Manager
PREZ	President
RACD	Regional Advisory Council Director
SECY	Secretary
SCDM	Standards & Conformance Department Manager
VP-ADMIN	Vice President - Administration
VP-SPEC PROJ	Vice President – Special Projects
WDD	Western District Director

## **ATTACHMENT B**

Agenda Motion #2 2015 Audit Report

Meeting Motion MBOD16070204

### **Motion to accept the 2015 Auditor's Report**

The At-Large World-Wide Director (Brestel) moves...

To accept the Auditor's Report for fiscal year 2015.

#### **Rationale:**

The audit showed no issues and all aspects were in compliance. On approval, the Auditor's Report will be posted in the member's only section of the NMRA website.

The NMRA IRS Return Form 990 will also be posted on the website when it is filed.

The Audit Committee recommends approval of the Audit Report.

**Action: Passed**



## ATTACHMENT C

Agenda Motion #5 Budget Changes

Meeting Motion MBOD16070205

### **Motion to approve 2015 budget adjustments (zero sum change)**

The At-Large World-Wide Director (Brestel) moves...

To approve the following zero sum budget changes as recommended by the CFO for the 2016 budget year.

- Add \$1,500 to Secretary for printing the 2016 Ballots
- Add \$2,000 to Marketing for incremental Social Media efforts
- Add \$5,000 to Legal for IRS Group Exemption assistance and consulting
- Add \$500 to S&C-LCC to sponsor a logo on the NTS bags.
- Decrease CFO Reserve by \$9,000

These are zero sum changes and the overall budget remains unchanged.

### **Rationale:**

Any changes in the budget should be transparent and recorded. Since the annual budget is approved by the BOD, any internal changes are also approved by the BOD.

There is no effect on the overall budget, which is unchanged.

**Action: Passed**

## ATTACHMENT D

Agenda Motion #3 Donated Securities

Meeting Motion MBOD16070206

### **Motion to modify EHB Donations Policy Section H 3.1**

Motion for Policy Change - YES

The At-Large World-Wide Director (Brestel) moves...

To modify EHB Section H3.1 Donations Policy to remove the requirement that all donated securities be immediately sold unless specifically otherwise authorized by the Executive Committee.

#### **Current wording:**

EHB Section H3.1: Donations Policy

5. The NMRA is open to and encourages the donation of securities so that members can realize any tax benefits that are attendant to donating appreciated stocks and bonds. All donated securities will be immediately deposited to the appropriate NMRA brokerage account. All such donated securities will be sold and converted to cash in the account, except in unusual circumstances when the Executive Committee may choose to hold them. The cash thus generated will then be invested and managed along with the other NMRA funds in that account. The exception to this policy shall be if the donor stipulates that the securities must be held for a specific period of time.

#### **Proposed Wording:**

EHB Section H3.1: Donations Policy

5. The NMRA is open to and encourages the donation of securities so that members can realize any tax benefits that are attendant to donating appreciated stocks and bonds. All donated securities will be immediately deposited to the appropriate NMRA brokerage account. All such donated securities will be ~~sold and converted to cash in the account, except in unusual circumstances when the Executive Committee may choose to hold them. The cash thus generated will then be invested and~~ managed along with the other NMRA funds in that account by the Investment Committee. The exception to this policy shall be if the donor stipulates that the securities must be held for a specific period of time. If there is a hold time stipulation, no action other than depositing the securities in the account shall occur until the stipulation is met.

**Rationale:**

The current donations policy stipulates that all donated securities be immediately sold unless otherwise directed by the Executive Committee. The Investment Committee is charged with managing NMRA investments and this requirement could lead to substantial and unnecessary fees and charges. The proposed change would still require the deposit of donated securities in the account, with sell/hold decisions left to the Investment Committee.

**Action: Passed**

## ATTACHMENT E

Agenda Motion #4 Asset Capitalization

Meeting Motion MBOD16070207

### **Motion to add EHB Section S 5.1 – Office of the Treasurer – Asset Capitalization.**

The At-Large World-Wide Director (Brestel) moves...

To create a new sub-section in Section S of the EHB to address Asset Capitalization. This new Section would be Section S 5.1.

**Current version:** Not addressed

**Added Version:**

EHB Section S 5.1 – Office of the Treasurer – Asset Capitalization (New section)

1. All assets with an initial installed value of greater than \$10,000 shall be capitalized and depreciated.
2. The CFO shall determine and assign an appropriate service life for depreciating capital assets.
3. The CFO is authorized to approve all capital asset purchases with an initial installed value of less than \$25,000.
4. The BOD will approve all capital asset purchases with an initial installed value equal to or greater than \$25,000.
5. In an emergency and with the agreement of the NMRA President, the CFO is authorized to take action if the initial installed value is equal to or greater than \$25,000 and then to report such action to the BOD within 30 days

6. The CFO will report all capital purchases with an initial installed value of greater than \$10,000 to the BOD at the next BOD meeting.

**Rationale:**

It is good practice to document our financial procedures, especially those that have tax or other implications. There can be tax advantages when making significant capital investments and simplification if small items below the threshold are expensed.

In the case of an emergency, an agreement between the CFO and President will allow timely action for large asset purchases. It is not expected that this will be necessary, but it is prudent to be prepared.

**Action: Passed**

## ATTACHMENT F

**Agenda Motion # 1 MCR/NCR Border Adjustment**

**Meeting Minutes Motion MBOD16070208**

**Motion for Regulations** Article A-8 Paragraph 1 Motion for EHB Section 7 Paragraphs E and K

The Central District Director moves that on the basis of Member petition, duly approved unanimously by the Boards of Directors of the Mid-Central and North Central Regions and presented in writing by those Boards, that Article A-8.1, Sections 7.E.1 (a) and 7.K.1 (a) be amended to move the Indiana counties of Blackford, Jay, Grant, Huntington, Wabash, and Wells from the Mid-Central Region to the North Central Region, and that the change be noted elsewhere as appropriate and necessary.

**Rationale:**

There are few members in these counties; those who reside there would prefer to affiliate with the NCR, which has an active Division meeting near them in Fort Wayne, Indiana, rather than the MCR, where the Division events are held several hours away in Dayton, Ohio.

**Action: Passed**