

**Report of Mid Year Meeting
Board of Trustees
National Model Railroad Association**

Submitted by: Robert A. Beaty, Southeastern Region, Trustee

The mid-year meeting of the Board of Trustees of the NMRA was held in Phoenix, AZ, January 13-15, 2005. This report contains a synopsis of reports submitted and actions taken during the open sessions of the Board.

President John Roberts called the meeting to order at 7:38 PM January 13, 2005. Minutes of the Annual Board Meeting were read, amended and approved. The Officers and Department heads gave their respective reports. President Roberts amplified portions of his submitted report. He went on to add that he would be asking for monthly status reports from all Department Directors to include their goals, progress, and financial performance vs. their budget. He has a framework available for these reports.

In response to a question from the Board, Vice President Brestel indicated that online, read-only access to the membership data base should be available before the rewrite of the data base. SERT Beaty suggested that copies of the data base requirements be forwarded to the Trustees once they are finalized.

Treasurer Draper reported: The organization operated at a deficit of \$4,582 for the first quarter of this fiscal year. Dues income for the period was \$155,672, Non-dues programs generated \$114,130. Total expenses were \$274,383. The NMRA has \$669,279 in the investments portfolio and \$41,483 in Checking Accounts. The Howell Day Museum has \$86,116 in the Investment portfolio and \$765,658 in Checking. The Howell Day Museum funding shortfall has been reduced to zero during the period. The deficit position reflects annual Real Estate and Personal Property Tax expenses of the corporation incurred during the period. Members of the Investment Committee jointly announced that guidelines had been given to Treasurer Draper regarding reimbursement of the Life Account. They are also completing a client risk profile to help guide a yet-to-be-selected investment advisor. Treasurer Draper advised that we are 1 year into the final 5-year segment of paying off the mortgage, and that at the end of that period the budgeted money being used to pay the mortgage will be available for reimbursing the Life Account. (MBOT 28 directs the repayment schedule to be included in all budgets)

President Roberts announced that the budget meeting will be held in April, and that any budget issues on the part of the Trustees should be addressed to NCRT Thornton, who is the Trustee representative on the Budget Committee.

LSRT Packer asked how the office was handling region dues for periods that extend beyond 1 September 2005, when the new membership structure goes into effect. Right now there has been no change in procedures, but this will be reviewed before the next Board meeting.

SERT Beaty asked if and how the regions will be reimbursed for existing Life Members who are not life members of their regions. There was no definitive answer, and the issue was referred to the Regional Advisory Council (RAC) for discussion. (Below, MBOT 19 sets the amount reimbursed to regions).

Development (Dev) Director Pollock indicated he will be working with Roger Ferris to complete the leadership transition in the department. He added that the annual *Pacesetters* renewal notice was mailed too late for most members to respond in time to claim their donations on their 2004 income tax returns. He finally noted that with the shift to the new Board structure, it would be tougher to identify national volunteers at the region and division levels, and he asked for help in identifying any viable candidates (not just for the Development Department, but for any national level position).

Marketing, Advertising, and Promotions (MAP) Director Burman announced activities that had taken place in the department. A tabletop display for the RailPass program had been developed and was used at a number of train shows; advertisements were developed in-house for the Open Loads book and for the Sacramento Modeling with the Masters session. He is looking into additional ad placements for the Open Loads book but they will depend on rates in the various publications. Future activities in the department will include reviewing convention clinic books and taking action to make members want to keep renewing their memberships.

Membership Services (MS) Department Director Pearlman mentioned that the NMRA was enrolling approximately 50 new members per month, but that we are losing them at a faster rate. He would like to see some means of identifying new members at conventions, in an effort to help promote the fellowship component of the Association. He added that he thought the “Ask Me” help desk, manned at the Toronto convention was successful and that he would like to see the Board and the Officers take some time to man the desk as they were available to do so. He closed his report with the announcement that we had an excess quantity of Heritage and Living Legends cars.

Pubs Department Director deYoung announced that he held his first department meeting in August. The department is working to get *Scale Rails* back on schedule, and he emphasized that many of the delays in the recent past have been beyond the control of the editor. Submission deadline for a given issue is the first of the second month before the magazine cover date (e.g., the deadline for the July issue is 1 May). They are also working to improve the content of the magazine.

Audit Committee Chair Gangwish announced that the audit for Fiscal Year 2004 was complete and we were once again to be found in compliance.

President Roberts noted that our Directors & Officers liability insurance had just been renewed at no increase in premium. Our other insurance policies were renewed in November at a slight increase in premium owing to a claim filed for water damage to the roof of the Headquarters building.

RAC Coordinator Gangwish announced that he had received timelines from all regions as to when they would be able to bring their governing documents into line with the new Regulations. All except British Region will be in compliance by the end of the fiscal year; BR has procedural complications that will delay their process.

Reports of Trustees were presented and made a part of the permanent record.

Several Motions were presented to clarify wording or to correct typos and language in the new Regulations. Those motions, not included here, will be available when the minutes are published.

Motions affecting operations and membership:

MBOT-18 (Paraphrased) was moved jointly by ART North, BRT Park, and NFRT Kooning, and seconded by PNMRA (Canada) Gerry to add the following new subsection “Dues & Communications Fees” to Section O (Member Services Department) of the Executive Handbook:

1. The Australasian Region, the British Region, and Canada will assume all administrative responsibilities for members residing within their areas. In return, the portion of dues that normally would be allocated to national administrative expenses will be withheld. Accordingly, their schedule of Dues and Communications fees is modified as follows (all amounts are in US Dollars):

Lots were drawn for the initial terms of the members of the new Board of Directors. The initial terms will be:

- a. Eastern District – 1 year
- b. Western District – 2 years
- c. Central District – 3 years
- d. Pacific District – 1 year
- e. Atlantic District – 2 years
- f. NMRA (Canada) – 3 years
- g. At Large, North America – 1 year
- h. At Large, Worldwide – 2 years
- i. RAC – 3 years

MBOT-19 -The Dues and Communications Fees for all members except those residing in the Australasian Region, the British Region, or Canada shall be as follows:

- a. Dues – All classes of membership are set forth in the Regulations (Article IV). The annual dues to be collected for each class are (in US Dollars):
 - 1) Member dues: \$33.00
 - 2) Family Member dues: \$7.00
 - 3) Student Member dues: \$24.00
 - 4) Patron Member dues: \$100.00
 - 5) Corporate Member dues: \$175.00 or more
- b. Subscriptions – Subscriptions to *Scale Rails* are available to all members for \$12 per year, invoiced and paid concurrently with the renewal of dues. Subscriptions to *Scale Rails* are terminated when membership lapses or when a member notifies the Administration Department. Subscriptions to *Scale Rails* will not be made available to non-members.
- c. Region Allocation – The amount to be paid by the Administration Department to the Region Treasurers is described in Article IV (Dues), Section 4, Subsection D of the Regulations. The amount will be \$2.00 per dues-paying member (dues-paying, Life, and Honorary Life) residing within the Region boundaries. The Administration Department will make two payments per fiscal year – half the first week of September and half the first week of March. The NMRA data base will be the basis for establishing the number of members residing within each region’s boundaries (Article VIII).

MBOT-26 was moved by SERT Beaty and seconded by PNRT Hamilton that the NMRA Meetings & Trade Shows Department Director assume the responsibility for and overall control of national conventions. The NMRA BOT recognizes the necessity to maintain continuity and stability in future national conventions. Therefore, the BOT directs the M&TS Department Director to rewrite the NMRA Convention Handbook. The Handbook will specifically define the roles, responsibilities, and functions of the National Committee, the local committee, and the NMRA BOD. The specific financial responsibilities and the division of incurred income and expenses will be clearly stated. The NMRA will assume responsibility and obligation for all contracts for a convention. The NMRA M&TS Department Director is directed to work closely with established host committee chairs to ensure each venue is properly addressed, using accepted business practices to guarantee the most cost-effective use of resources.

In addition, Section N1.1, Paragraph 7 of the Executive Handbook will be replaced with the following:

- a. The NMRA will take primary responsibility for managing and operating certain convention events as an NMRA sponsored activity. These activities will include registration, contests, clinics, editing & publishing the Clinic Book, facilities management, Company Store, Junior Clinic Program, food functions, transportation contracts, the auction, and other activities as will be determined by the Director of the Meetings & Trade Shows Department. These activities are understood to be totally funded and supported by the NMRA. The NMRA will seek ideas and input from the Host Committee and Host Region so as to develop a suitable theme for the convention and to assure that it has a "local flavor."
- b. The NMRA will provide active advice and support of the Host Committee and Host Region as they plan their portion of the convention using experience convention staffing from the NMRA Convention Committee.
- c. The initial convention budget will be developed by the NMRA. The Host Committee will be provided copies of the initial budget and encouraged to comment on the budget and the operating funding required by the Host Committee. The final budget will be a coordinated budget between the NMRA and the Host Committee.
- d. The Host Committee and Host Region shall have primary responsibility for planning, organizing, and carrying out the Outside Activities associated with the convention. These activities are layout tours, prototype tours, and non-rail tours, and other activities as will be jointly agreed to by the NMRA and the Host Committee.
- e. The Host Committee shall have the responsibility for planning, organizing, and implementing a non-rail clinic program and for obtaining students for the Junior Clinic Program.
- f. The Host Committee and Host Region shall have the primary responsibility for providing workers to staff the convention events being managed by the NMRA before, during, and after the convention. The staff support requirements are as detailed in the NMRA Convention Handbook.
- g. The Host Committee and Host Region shall provide assistance for the National Train Show in obtaining local publicity contacts, distribution of advertising materials, personnel for promotional events, and for soliciting display layouts.

MBOT-28 was moved by NCRT Thornton and seconded by ART North that the Budget Committee establish a written plan for repayment of the internal loan from the Life Fund to the General Fund. This plan will include the accrual of interest. The plan will include annual targets and be included as part of the propose FY 2006 budget.

MBOT-23 was moved by PCRT deBlieck and seconded by NCRT Thornton to add the following to Section O (Membership Service Department) of the Executive Handbook:

The cost for the Region publication allowance will be a single rate for the first year of membership that is uniform across the NMRA in North America and will be set by the Region Advisory Council. Upon renewal, the amount set by each region will be collected. The appropriate fees collected through this process will be remunerated to the Regions.

Regions and divisions are free to define and collect additional fees for other purposes as they see fit.

MBOT-35 was moved by LSRT Packer and seconded by ART North that Article IV (Membership and Dues), Section 1 of the Regulations be amended so that the paragraph on Life Members reads as follows:

Life Member: As recognition for meritorious service to the National Model Railroad Association, any person may be elected as an Honorary Life Member by vote of a majority of the Board of Directors and shall not be required to pay any additional dues. This includes full rights of membership plus basic communication (*NMRA Bulletin*). Members already holding, or in the process of obtaining, a paid Life Member status will retain such status.

MBOT-37 was moved by ART North and seconded by LSRT Packer to immediately suspend the sale of life memberships, except that for those individuals who obtained a quote on or after 16 November 2004 such purchase will remain available until 15 March 2005 or the individual's birthday, whichever occurs first.

MBOT-39 was moved by SERT Beaty and seconded by all to adjourn. The motion passed on a voice vote. The meeting was adjourned at 10:12 PM, Saturday, January 15, 2005.

Respectfully submitted,

/s/

Robert A. Beaty

Trustee, Southeastern Region, NMRA