

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

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### **BOD eMail Action** - January 5, 2010

The NPRHA Modeling Committee researched and proposed a 2010 convention car project for a custom run of N scale General American Airslide covered hoppers. The goals for the project included prototypically correct NP livery, offering a car that NP modelers would warmly embrace (with a sell-out in 1-2 years), and a car type that would sell beyond NP modelers (increasing NPRHA exposure). The car would be from Athearn and feature some of their newest toolings of two body styles (GATC 2600 Airslides) with each style having its own road number. The car types would feature 1955 paint schemes (road number 75XXX) and 1965 paint schemes (road number 75YYY) with a quantity of 252 cars for each era. Splitting the eras between 1955 and 1965 would give good representations for both (and all cars would work well in those periods of 1965 and beyond). Discussion included the potential for additional supplementary numbering decals to be investigated to broaden the appeal. The total commitment would be for 504 cars ordered at a total NPRHA cost of \$6,254.64. A 50% deposit of \$3,127.00 is required for initiation with \$3,127.64 being paid 30 days after shipment (roughly May or June). Advertising and promotion was also discussed in the proposal.

*Motion to build and deliver a quantity of 504 Athearn N-scale General American Airslide covered hoppers in 1955/1965 schemes as the 2010 NPRHA convention car offering. The project requires a \$6,254.64 commitment by the NPRHA in two payments (half at initiation, half after shipment). - Frissell, Vogel 2nd, carried.*

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### **BOD eMail Action** - January 14, 2010

The Pacific Northwest Railroad Archive 501©(3) application requires a \$850 submission fee for this status. Bill Sornsin of GNRHS has agreed to share the administrative costs of this application.

*Motion for NPRHA (with GNRHS matching) to provide \$450 to PRNA to cover the submission fee and mailing costs of their 501©(3) application – Tarbox, Hillard 2nd, carried.*

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### **BOD eMail Action** - March 29, 2010

A discussion about proper Conflict-of-Interest management was raised with review of several examples (including those considered by the Pacific Northwest Railroad Archive). It was proposed that two orders of action take place with regards to the following NPRHA declaration:

*We, the Directors of the Northern Pacific Railway Historical Association, resolve that no member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over on the matter involved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known. (The Northern Pacific Railway Historical Association website is <http://www.NPRHA.org>)*

Action 1 – Seek approval by the membership for the amendment of the NPRHA By-Laws such that a new section be created – Article III Board of Directors, Section 14 Conflict of Interest.

Action 2 – Administer the Board of Directors Conflict of Interest policy in its meetings by reading the policy into board minutes and recording all present affirm their agreement with the procedure.

*Motion to amend the NPRHA By-Laws with the stated Conflict of Interest policy and to affirm this practice at each meeting of the NPRHA Board of Directors by the President and Secretary – Hillard, Tarbox 2nd, carried.*

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### **BOD eMail Action** – April 30, 2010

Gary Tarbox presented the board with a proposal about creating a West-End Archive for the NPRHA. This work was initially based upon a five-year effort by a small group of NPRHA members to catalog Jim Fredrickson's collections. In looking to secure a reliable and affordable archive space between Seattle and South Tacoma, no suitable facility could be found. Existing institutions were considered, but previous insights by other projects and NPRHA experience favored more of a dedicated and organization-controlled space.

A separately formed nonprofit entity, Pacific Northwest Railroad Archive (PNRA), shared an operating plan with the NPRHA to facilitate its ability to create a West-End Archive space comparable to the Jackson Street Roundhouse archives on the East End. The plan describes how Railroad History Organizations (RHO) will collaborate in the use of a 7,500 square foot archive building in Burien, Washington, to share facilities, equipment, training, and services. Funding for the PNRA facility would happen through grants, private donations, rentals, services, and capital participation of five identified RHOs active in the Pacific Northwest. The PNRA is a stand-alone entity with its own governance, finances, board of directors, operating committees, and staff.

A spirited discussion was conducted with board members and other experienced parties. Issues regarding timing, financial liabilities, comparable leases, legal review, commitments by other RHOs, NPRHA membership benefit, overall project merits, duration and scope of NPRHA commitments (financial and otherwise), etc. were vigorously discussed with significant clarifications and modifications made to the original proposal. A ten-year lease agreement (until 31 May 2020) and initial capital contribution by the NPRHA (\$10,000) was formulated.

*Motion for the NPRHA to establish its West-End Archive in the Pacific Northwest Railroad Archive (PNRA) facility under the terms stated in the NPRHA-PNRA Lease Term Sheet shown as Exhibit A. Furthermore, we authorize the:*

- 1. President to submit the proposed NPRHA-PNRA Lease Agreement to legal counsel to review the agreement and confirm that the NPRHA's obligations under the agreement are commensurate only with that of a tenant of PNRA.*
- 2. President to negotiate terms of the final lease agreement with PNRA and present it to the Board for approval before signing.*
- 3. Payment of the \$10,000 Capital Contribution and the first month's rents as defined in the NPRHA-PNRA Lease Agreement after the signing of the Lease agreement.*

*Motion – Tarbox, Frissell 2nd, carried.*

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### **BOD eMail Action** – May 2, 2010

On behalf of the NPRHA, Missoula attorney Peter S. Dayton conducted a legal review of the NPRHA-PNRA Lease Agreement per the directives of the board motion for participation. Per counsel advice, Taylor conducted discussion of the revised agreement between board members without Tarbox to avoid any possible Conflict of Interest issues. Final concerns with the lease documentation, attached exhibits, and a question of parking were addressed.

*Motion for the NPRHA to accept Gary Tarbox's revised lease agreement for the PNRA space as dated 5/22/2010, together with the revised floor plan as shown as Exhibit "A" of 6/2/2010 and inclusion of the first month's rent payment of \$200 – Hillard, Frissell 2nd, carried.*

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### BOD Spokane WA – July 13, 2010

#### Finance Audit Committee Presentation

Call to order by President Taylor at 7:06 pm.

**Members in Attendance:** Phil Beach, Duane Durr, Dave Franz, Dave Hillard, Bill Kuebler, Bob McCoy, Larry Schrenk, Gary Wildung, **Board:** Jack Christensen, James Dick, Chris Frissell, John Fujii, John Hillard, Allan Manson, Gary Tarbox, Jan Taylor, Ken Vogel.

The NPRHA Audit Committee (Phil Beach, Dave Hillard) presented a review of their audit report to the board. The committee found the association's books in reasonable condition but observed a few issues with the company store that required attention. The audit was an independent assessment of the organization's systems, processes, and reporting validity. It examined transactions of the NPRHA and NPRHA Company Store over the period of calendar 2009 (Jan 1 – Dec 31). The committee also provided guidance to the Treasurer to make corrections and adjustments where considered necessary and appropriate. Summary of sections covered below (full details in submitted report):

- **Review of Accounting Controls and Procedures**
- **Bank and Investment Accounts** – recommendations included updating account authorizations on all accounts, consolidations of accounts to simplify management and maximize interest, and rebalancing company store cash balances
- **Due from Company Store** – recommendation to improve membership accounting and frequency of transfers from Company Store for membership
- **Income from Membership Dues and Donations** – recommendation to update renewal form to reflect all dues levels
- **Membership Demographics**
- **Expenditures** – most significant expenses of NPRHA are those to publish *The Mainstreeter* – recommendations included improved invoice review processes, review of expenses relative to current dues levels, and specific authority records in minutes for special projects.
- **Form 990-EZ**
- **Board of Director Minutes** – question about cost of server to host NPRHA.org and its expense coming out of the company store as apposed to NPRHA organization
- **Governance and Volunteer Recruiting** – recommendations for improved documentation of key contracts and agreements as well as better recruiting and risk management of key organization functions (some critical functions lack sufficient alternative backups in terms of owners)
- **NPRHA Company Store**
  - **Review of Accounting Controls and Procedures**
  - **Bank and Investment Accounts** – recommendations included rebalancing cash held by store
  - **Accounts Receivable**
  - **Credit Card Sales Clearing**
  - **Office Supplies**
  - **Furniture and Equipment**
  - **Inventory** – random audit of 20% of stocked items by SKU yielded good results – merchandise was in good condition, adequately stored, and only minor discrepancies detected – additionally, certain discrepancies were discovered relative to inventory and records in QuickBooks such that additional processes were recommended to properly compute cost of sales (for kits and kit components)
  - **Other Current Liabilities**
  - **Merchandise Sales** – recommendations for improved processes with credit card follow ups (rejections) and also discussion about factoring the costs of publications (*The Mainstreeter* and the Calendar) that are transferred to the store for further sale – original expenses borne by NPRHA and not store, so how should net profit be calculated?

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- **Hobby Shop Sales** – recommendations were offered about sales tax accounting, improved review processes of Storehost (online vendor), and onsite convention credit card processing to avoid delays in credit card approvals
- **Cost of Goods Sold**
- **Expenses**
- **Northern Pacific Railway Historical Association – Policy on Financial Procedures**

The Audit Committee also noted their reimbursement for the cost of gasoline to visit Winlock and Sonrisa's location in Raymond, WA.

*Motion to accept the report by the NPRHA audit committee – Frissell, Dick 2nd, carried.*

Adjournment at 8:20 pm.

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### BOD Spokane WA – July 14, 2010

Call to order by President Taylor at 7:05 am.

**Members in Attendance:** Duane Durr, Dave Franz, Dave Hillard, Bob Horne, Bill Kuebler, Bob McCoy, Craig Reese, Larry Rice, Larry Schrenk, Bill Taylor, Gary Wildung, **Board:** Jack Christensen, James Dick, Chris Frissell, John Fujii, John Hillard, Allan Manson, Gary Tarbox, Jan Taylor, Ken Vogel

**Agenda** – reviewed and approved.

Conflict of Interest (COI) statement read aloud and affirmed:

*We, the Directors of the Northern Pacific Railway Historical Association, resolve that no member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over on the matter involved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

BOD recorded minutes published to nprha.org. *Motion to accept last minutes – Dick, Tarbox 2nd, carried.*

#### **Finance**

Vogel presented a financial report that also reflected the recent audit. Tarbox commented that great progress has been made and timeliness of reporting was appreciated.

*Motion to accept the treasurer's report – Tarbox, Dick 2nd, carried.*

#### **Audit**

Taylor noted that the report was accepted the previous night and the actions would be reviewed and accepted at the Sunday morning.

#### **Spokane Convention Train Ride**

Bill Taylor reported that the train ride this week was the result of a lot of hard work and commitments honored by MRL (Tom Walsh) and BNSF (Matthew Rose, Mike Powers et al working to make private fleet available). Both railroads supported this idea since day one – an unprecedented gesture by two railroads and their CEOs. Some last minute logistics relative to insurance needed to be ironed out, but that problem solving was achieved. Route starts near Sandpoint, ID (Kootenai siding) to Paradise, MT and back - MRL to expedite us to Paradise. Compliments all around, especially to Mike Powers, Mike Lustig, Mike Applegate, and Jan Taylor, for their hard work on all fronts. Final notes – safety first (second, and third), keep train clean, and abide requests not to cross any tracks as specified by MRL.

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*Motion for resolution of thanks and appreciation to the many people, partners, and railroads who made this happen – Tarbox, Vogel 2nd, carried.*

### **Mainstreeter Advertising**

General consensus of committee after research and discussion is to drop advertising of external businesses in *The Mainstreeter* after existing agreement concludes with W&R. Inserts may be considered in the future but membership would rather sunset use of space directly in the magazine.

*Motion to accept report and recommendations – Hillard, Vogel 2nd, carried.*

### **Archives - East-End Report of Joint Archives**

Dick presented Mike Borkan's report about the NPRHA JSRH Joint Archives.

- **Events** - The archives group hosts ongoing events several times a year. Historical and modeling topics have included topics on 1933 Chicago World's Fair, NP Wheel Reports, NP's University of Minnesota line change, model show-and-tell, and Upper Midwest RR slide show.
- **Collections and Displays** - A lot of progress here – special thanks to Larry Schrenk for his hard work on the Stewardess Nurse displays.
- **Archiving Sessions** – Weekly sessions are held Tuesday evenings throughout the year. Several CDs were produced by Hudson Leighton of the archive group covering the NP standard plans book (available from the Company Store now). Other CDs are planned.
- **Facilities and Equipment** – Upgrades for computer software and a digital projector was received for presentations at East End meets.

The JSRH relationship continues to be very good. Bill Taylor commented that as a user, he found the resources and space excellent and appreciated the help of all volunteers there. Dick noted that there is a need to help narrow down requests from the Internet (narrow your topic, specify the expected end result) so that volunteer resources can be more effective.

*Motion to accept committee report – Hillard, Vogel 2nd, carried.*

### **Archives – West-End Report**

Ed Sherry's 2010 West-End Archive Report was presented. Taylor noted that the budget requested was for archive boxes, external hard drive, professional scans, and emergent items - \$932.50. Tarbox reported that the PNRA has secured the building. NPRHA collections received to date include materials from Bill McKown, Bob Hundman, Harold Stewart, et al. Current work includes applying for grants for shelving and other archive materials. The NPRHA will not have to purchase scanners and such.

*Motion to accept committee report – Tarbox, Manson 2nd, carried.*

### **Calendar Report**

Kuebler noted that the report carries the current process documentation (Memorandum of Understanding) between the NPRHA Calendar Committee and the board with regards to creation and delivery of the product. The process continues to work well with the deadlines outlined (major deadlines being October 1st of two years prior to calendar year and January 15th of year prior to calendar year). The committee is always looking for more and new sources of images. The ability to balance the calendar will become more difficult as these sources are tapped out. The committee doesn't keep a stockpile on hand of clean images – we clean as we go. The production company used is Digi-Graphics & Photos Inc in Minneapolis (they do an outstanding job). Vogel noted that the calendar is an excellent PR piece, especially for selling the NPRHA. Tarbox noted that production coordination for this piece was up for new assignment. Taylor requested that a job description be developed for this to help find the additional help.

*Motion to accept committee report – Frissell, Manson 2nd, carried.*

### **Company Store**

Tarbox reviewed the store report covering dates 1 July 2009 – 30 Jun 2010. The merchandise report showed that modeling was the highest percentage of sales at 45.0% during the past year. DVDs continue to hold but the market is in decline – online content is growing. A clothing business vendor or vendors should be considered due to the space required to maintain inventory in different sizes. Sales of *The Mainstreeter* still remain active as new members begin

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their libraries – typically 20 issues are ordered at a time. Joy and Gary Wildung got good digital copies of older issues to preserve continuity. The Company Store pays for these reprints. In terms of selling digital content (non-physical fulfillment), this has not been developed yet (but perhaps can be investigated by the next store manager).

*Motion to accept committee report – Dick, Christensen 2nd, carried.*

### Conventions

*2011:* James Dick reported that the Blackbear Casino & Resort ([www.blackbearcasinoresort.com](http://www.blackbearcasinoresort.com)) in Carlton, MN, has been selected as the convention hotel. Duluth was also investigated but this was the best property and value of the choices. Carlton is where the NP started. He urged that advanced registration be investigated – like airline pricing, best rates are achieved early – currently \$55 (Tue-Thu) and \$79 (Fri-Sat) and \$55 (Sun). This facility is newer, has three restaurant choices, and fairly convenient to get to (Twin Cities and Duluth airports – note that Duluth is anticipating a 3-year road project that will leave only one lane each way for traffic). The gambling area must be traversed to get to the convention rooms. The hotel is locked in now for the convention – 13-16 July 2011.

*2012:* Bill Taylor reported that the War Bonnet Inn ([www.buttewarbonnet.com](http://www.buttewarbonnet.com)) in Butte, MT, has been selected as the convention hotel. The NP Depot is thrilled to support us – it will host some events. Butte is waiting for us and there are lots of opportunities to do things there. The only bad piece of news is that the Virginia City – steam powered trip (2-8-0) is down due to tube life issues. They do run a motor car with trolleys. The convention dates are 18-21 July 2012.

*2013:* This is a East-end convention (dividing line – Billings, MT) that is to be determined.

*2014:* Larry Rice gave an invitation pitch for Toppenish/Yakima in 2014. Yakima would be the convention location but Toppenish is close by as an area of interest. The local volunteers would love to see us there. They have a 1911 full scale – class 1 – depot (but it lacks a beanery) – the interior is completely restored into a museum. Locomotives NP 1364 and NP 2152 from Auburn will also be there. There are yards and the old roundhouse is available. The original turntable is on a flat car in our yard. Yakima trolleys are some of the last interurbans in the United States. The Holiday Inn in Yakima is a recommended convention hotel to investigate. Many comments of support were offered by the board for this proposal, especially for the active group of NP enthusiasts there.

### Grants

Bob Horne reported that a committee of himself (lead), Phil Beach, John Bird, and Harold Shannon was formed to begin focusing on grants discussion. They are collecting, organizing, and structuring information needed to undertake this. They have the approved grant policy from the board – it is a good starting point but doesn't do the entire job. The West-End Archives needs to be added in for gift giving coordination. Tarbox commented that while we do get inquiries for grants, the organization strengthened its policies and processes a year ago. We don't own equipment or buildings – we collect information. We will fund some projects but we needed a grant review body to evaluate such projects. It would review and make recommendations to the board. Horne agreed – the committee will look at granting and also sources of material and dollars for providing grants. Frissell works for a non-profit and noted that this was for accountability – how money was spent and its accounting – the board is accountable for showing progress. Full funding is usually contingent on completion, so only partial funding is usually given out in segments. We should require proper status reports for continued funding. If not, funds revert back to the organization. Annual audits may also be in order, especially where funds move between non-profits.

*Motion to accept committee report – Tarbox, Dick 2nd, carried.*

### The Mainstreeter

Craig Reese reported that there two goals to meet:

- *publication schedule* began to slip – get as much done before getting on press
- *pipeline problem* – turned around the issue of getting a line up of stuff for the next couple of issues

Reese wanted to continue to refine the production process and have more front-end work being done by us, less at the printers. We need to keep the content pipeline as full and active as possible. We need to look at passionate convention presenters and encourage them to package their work for *The Mainstreeter*. He also thanked the board for help with obtaining preproduction software from Tech Soup. Dick asked about specific content requests. Reese noted that certainly convention issue locale information was always welcome. Railroad history content –

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chronological and inventory information – is really important. It can be leavened with plain story telling, too, to help round out the reader engagement. Horne agreed – we can help writers and storytellers alike – we can lose good contributors by not supporting them with editorial help. Tarbox said he would continue to work with Craig to help solicit content.

Adjournment at 9:54 am.

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### Annual Membership Meeting Spokane WA – July 17, 2010

Called to order by President Jan Taylor at 2:21 pm.

Financial summaries, condensed minutes, and a proposed conflict of interest proposal [pink] were passed out to members present.

Taylor noted that the condensed minutes were summaries of both in-person business and electronic transactions up to this month. The full minutes for calendar 2009 were available on NPRHA.org and at the beginning of the week upon request. Only the 2009 business portion was being approved at this time.

*Motion to approve the NPRHA 2009 minutes – Duane Durr, Ed Berntsen 2nd, carried.*

#### Financials

Ken Vogel thanked Mike Applegate and Mike Lustig for a great convention. He reported that 2009 was a good year for the organization and it made money in that period. It remains solvent and moving forward in its various businesses. Jim Dick asked about how many financial assistance requests we had received – the White Bear Lake organization last year appreciated our small donations. Taylor reported that the NPRHA conducted an internal audit to independently understand our operating status. Dave Hillard, a retired auditor, and Phil Beach undertook this task as independent volunteers. The board accepted the audit report and its results are under review for additional action.

#### Advertising Committee

Allan Manson reported that after discussion and consideration, a proposal was made to drop all advertising from *The Mainstreeter*. This will take place after W&R leaves the business. Futures potentials for advertising would be inserts included with the publication but not in the magazine itself. This would leave more space for NPRHA content. A question about lost revenue was answered that the current ad was a non-revenue ad (it came from past consideration of the donated raffle brass model and no income was tendered).

#### East-End Archives

James Dick congratulated the formation of West-End and East-End archives. He also acknowledged the fine BNSF donation of maps through the work by Mike Powers. He also encouraged the membership to use the archive services and provide leads for archive materials of interest to the NPRHA. There is no dividing line between the two archives – they will work with you to determine the best location for any of your donations. The East-End archives has a core group of five volunteers working continuously on the collections. He invited others to come and help if they were interested. Taylor noted there are no plans at this time to transfer materials to the West-End from the East-End archives.

#### West-End Archives

Ed Sherry, new director for the NPRHA West-End Archives, reported he is looking for volunteers. The goal is to make the two archives be as seamless as possible for NP interests. The West-End collections will be housed in Burien, WA, as part of the Pacific Northwest Railroad Archive (PNRA) project. Tarbox mentioned it was only one block from City Hall in Burien. It was easily accessible between two freeways and at the geographic center of our interested membership. He encouraged volunteers to join the work. Taylor said that the NPRHA group there would be responsible for getting our materials into the PNRA.

#### Calendar

Bill Kuebler reported that the working committee was Duane Durr, Gary Wildung, and himself. It functioned under a memorandum of understanding with the NPRHA board that was working well for its production process. He

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mentioned that production started two years prior to the calendar year (example – 2010 for 2012). John Kutz of Kirkland, WA works on the design. Distribution of the calendar goes out with the “dash-2” issue of the quarterly every year. The calendar committee is always seeking good sources of imagery to help balance aspects of color, B&W, equipment, personnel, etc. The calendar is also an excellent recruiting tool for the NPRHA. Dick asked what happens to unused materials? Durr stated that materials are maintained electronically and submissions are often returned to their submitting member.

### **Company Store**

Gary Tarbox mentioned that the store report was attached to the financial report previously covered. Inventory has been moved from Auburn to Raymond, WA. The store is predominantly an Internet online store – website orders go to Dave Cooley for fulfillment. A store manager role is currently open for a new manager. (Tarbox has served as “interim manager” for the past five years.) New projects will become available at the store such as the NP color chip project. Sales between 2009 and 2010 were lower (convention attendance was down which contributes to yearly sales). The store functions as a service to the NPRHA membership – it makes products of value to the membership – it doesn’t try to compete with major vendors. Questions were fielded about contacts for interested contributors to the product lines and also a lack of breakdown of merchandise activity reported to the membership this year–wasn’t this detail available during last year’s meeting?

### **Grants**

Bob Horne reported that work was in progress and no additional report was available at this time.

### ***The Mainstreeter***

Craig Reese’s report was postponed.

### **Membership**

Jan Taylor thanked Dave Hillard for his work as Membership Chair. For a brief moment, the NPRHA topped 2,000 members. Ken Vogel was looking for volunteers east of Missoula who could help go to swap meets to sell NPRHA memberships. He has a new membership kit that includes a banner, *Mainstreeters*, posters, etc.

### **NPRHA.org Website**

Gary Tarbox reported that the content server’s storage has increased to 82GB from 15GB. The aperture card project has increased the storage requirements. This online service is a rich source of information. A new version of SharePoint was anticipated soon. The Xfactor MM relationship has been quite good – they will help with the upgrade.

### **Pacific Northwest Railroad Archives**

Jan Taylor noted that Gary Tarbox was stepping down from the board at the end of this convention to focus on the PNRA project. He was given a standing ovation of thanks from the membership present. He retired from Microsoft over five years ago and he was excited to see the potentials going forward. This convention was an example of high attendance and high excitement, and people like this will help move things forward all over. He appreciated his time here and looked forward to working with everyone in the future on projects for the NPRHA and PNRA.

### **Nominations**

Chris Frissell reported that Allan Manson was stepping down from the board. The Nominating Committee proposed a slate for election as:

- Jan Taylor (2 year term)
- John Hillard (2 year term)
- Dave Franz (2 year term) – Allan Manson vacate
- Milt Clark (1 year term) – Gary Tarbox vacate

Nominations were invited from the floor three times per procedure. Hearing none, the nominations were closed.

*Motion to close nominations and declare these nominations seated – Chris Frissell, Allan Manson 2nd, carried.*

### **Conflict of Interest Adoption**

Jan Taylor introduced text for a conflict of interest statement to be read into the minutes of every official NPRHA meeting. *Motion to accept text was made by Bob McCoy, Mike Lustig 2nd.* Discussion produced a motion to amend



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statements in the text with the conjunction “and”, a change from “involved” to “resolved”, and to strike text preceding “...no member of the board...”. *The motion to amend by Bob McCoy, Ed Berntsen 2nd, carries. Vote on amended motion carries.* Final accepted text is as follows:

*No member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over and the matter resolved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

### **New Business**

The need for a new company store manager and attributes were discussed. Bill Seifert noted that the NPRHA convention conflicted with the NMRA convention every year – can we have any coordination with them for the 50% of the membership who models? Taylor said it would be considered.

Adjournment at 3:22 pm.

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### **BOD Spokane WA – July 18, 2010**

Call to order by President Taylor at 9:06 am.

**Members in Attendance:** Mike Applegate, Phil Beach, Duane Durr, Bill Kuebler, Mike Lustig, Dean O’Neill, Larry Schrenk, Ed Sherry, Bill Taylor, Gary Wildung, Richard Yaremko **Board:** Milt Clark, Jack Christensen, James Dick, Dave Franz, Chris Frissell, John Fujii, John Hillard, Allan Manson, Jan Taylor, Gary Tarbox, Ken Vogel

**Agenda** – reviewed and approved.

Conflict of Interest (COI) statement read aloud and affirmed:

*No member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over and the matter resolved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

### **Modeling**

O’Neill reviewed the modeling committee’s report which included mission statement, 2009-2010 noteworthy items, needed feedback, and future to-dos. He covered issues with the first N scale rolling stock special – General American Airslide covered hoppers in two body styles and road numbers. The color card project has had great feedback and hopefully will be delivered in the Fall of 2010. Three committee members have left the modeling committee, so its membership stands at eleven individuals. In the areas of new business, it was discussed that presentations at conventions were important to keep. There was a recommendation to replace the contest with a “RPM” (Railroad Prototype Modeling) event instead where for 4-6 hours, people would bring their work (completed/uncompleted) and have opportunities to discuss it interactively. It would be open to the public (like the swap meet). RPM events are growing in popularity across the country. It would be hard to find time that doesn’t overlap with other activities, but the general format seemed sound and supportive of NP modelers’ interests. Discussion for the motion included considering more than just models – also techniques and research (such as resurrecting photos). The general desire was to start small and see how it went.

*Motion to adopt the RPM format into the convention Tuesday evening slot – Tarbox, Dick 2nd, carries.*

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### Membership

Taylor reviewed the July 2010 membership report with the board. At one moment, we hit 2,000 members. Tarbox noted we get about 200-220 new members each year as a balance to 100-150 lost each year. Ken Vogel's attendance at swap meets has made a large difference in these numbers. Everyone needs to promote the NPRHA. Taylor planned to share these numbers with railroad officials for our ongoing work. Attendees mentioned how they were promoting the NPRHA such as publicly displaying the calendar at hobby shops, sharing issues of *The Mainstreeter* (if not archiving them), etc.

The need to have additional copies of *The Mainstreeter* for public promotion plus variations (such as a "sampler" issue that covered system-wide articles of the NPRHA from past issues for marketing purposes) was discussed. Near term needs at the JSHR East-End archive would be handled by having 25 extra issues on hand. The membership committee should consider revisiting the expanded-issue idea as a potential valuable marketing piece for the NPRHA using existing article assets of interest.

### Conventions

2010 : Mike Lustig reported there were 200 registrants for the Spokane Convention and everyone seemed to enjoy themselves. He thanked everyone for their help (and Jan Taylor thanked the chairs for doing a great job). Future recommendations discussed included dual coffee coasters for couple registrants and dessert at the banquet. Request for registration refunds came up – the fees are non-refundable after a given date because the money is used in our guarantees. The train trip registrations were accommodated in a few unusual cases (major health issues), but these can become more and more difficult with this age group. There is no easy policy for refunds except the previously announced cut off dates. The \$35 skirted tables were a surprise to some. General thanks to the entire committee was made by all present.

### NPRHA.org Website

Gary Tarbox reported that the new server continues to work well (for past year). New software will be coming for Windows SharePoint Server. We will perform a test site before migrating to this new software (SharePoint Services to SharePoint Server). Additional software from TechSoup (provider of discounted software to nonprofits) included 18 licenses of Windows7 and Office2010 for East-End computers. There are no West-End computers yet.

### West-End Archives

Taylor introduced Ed Sherry as the new NPRHA manager for the archives. He's been with the NPRHA since the 1980's. He's an NP modeler. He worked for Boeing since 1965 and was a charter member of the Boeing Model Railroad Club. He made an open invitation for help with the new archives as they continue to form.

### Company Store

Taylor announced that Bruce Butler would step up to manage the Company Store. She will do some transition work with him but hasn't had a lot of time to talk to him yet.

*Motion to accept the committee reports as stated – Dick, Manson 2nd, carried.*

### Finance Audit Actions

Taylor noted that the board accepted the audit report on Tuesday night. Now was the point of going through the recommendations and addressing them.

- **Review of Accounting Controls and Procedures**
- **Bank and Investment Accounts** – consolidation recommendation accepted and to ensure president and treasurer's name is uniformly on all CDs – *motion to support obtaining CDs held by Durr – Hillard, Tarbox 2nd, carries*
- **Due from Company Store** – Vogel stated transfer is being done now
- **Income from Membership Dues and Donations** – Discussion about master roster records expiration – *motion to move records one year after 2nd renewal notice to inactive database effective 18 July 2010 – Vogel, Hillard 2nd, carries* ; Discussion of Sustaining membership and what it means to the organization's operations, especially where allocations go such as preservation fund; Discussion about renewal form not reflecting proper veteran and non-veteran rates – Tarbox reported this is already done, Larry Ruffin and Dave Hillard already do this this correctly.

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

- **Membership Demographics**
- **Expenditures** – Discussion about editor review of *The Mainstreeter* invoices, Vogel reports he talked to Reese about additional oversight specified; Discussion about Raffle inventory and expenses for Special Projects – expense receipts requirements and inventory needs better definitions including needs for transfer vouchers (receipts of received items by NPRHA from individual) – Bill Taylor, Chris Frissell, Phil Beach volunteer to work to define this policy for guidance and custody reports.
- **Form 990-EZ**
- **Board of Director Minutes**
- **Governance and Volunteer Recruiting** – it was agreed that this set of recommendations take place
- **NPRHA Company Store**
  - **Review of Accounting Controls and Procedures** – Vogel agreed that he would implement these
  - **Bank and Investment Accounts** – Vogel agreed that this can be implemented
  - **Accounts Receivable**
  - **Credit Card Sales Clearing**
  - **Office Supplies**
  - **Furniture and Equipment**
  - **Inventory** – Vogel agreed that this would be corrected and properly implemented
  - **Other Current Liabilities**
  - **Merchandise Sales** – Vogel agreed that this would be corrected and properly implemented ; Frissell stated the Modeling Committee would also participate to support this work within SKUs.
  - **Hobby Shop Sales** – Vogel stated that Dave Cooley will enter all sales ; Vogel will follow up on bad credit cards and checks per the onsite observation made.
  - **Cost of Goods Sold**
  - **Expenses**
- **Northern Pacific Railway Historical Association – Policy on Financial Procedures** – Vogel commented on individual sections:
  - **Section A** – President and Treasurer will be on both accounts
  - **Section B** – Company Store will not be able to write checks – Tarbox noted the Company Store Manager makes purchases via credit card to which Vogel responded that a receipt and bill was required for reimbursement.
  - Vogel noted that only section A was being followed and sections B-D were not – Taylor directed the Treasurer and Audit Committee to revise this policy from 2000 and present it to the board.

A discussion started about *The Mainstreeter* publication costs being properly accounted for in Company Store statements (page 12 of Audit Committee Report). This would require current consideration and discussion. It was noted that all monies are NPRHA regardless of classification. Taylor recommended follow up online after the convention.

### Reimbursements

Vogel reported that he received \$500 cash for unspent monies from Bob McCoy. He also received \$500 cash for unspent monies from Gary Wildung this week.

### Grants

Taylor noted that there is a need to work further with Bob Horne on the application process and evaluation criteria. We just want to focus on an application process and criteria for being judged. Acquisitions are beyond the current need at the moment.

### New Business

#### NPRHA Officers

Gary Tarbox noted that after 5 years on the board, he appreciated his time here and now he was leaving to focus on PNRA (and continuing on with the NPRHA website and new articles generation with Craig Reese). The important view for the NPRHA is to continue to preserve NP history and to help people with communication. Taylor expressed the organization's appreciation for his service.

Nominations were invited for the roles of President, Vice President, Secretary, and Treasurer.

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

*Motion to accept slate – Clark, Franz 2nd, carried.*

*Motion to approve 2010-2011 NPRHA Board Officers as follows:*

- *President – Jan Taylor*
- *Vice President – James Dick*
- *Secretary – John Fujii*
- *Treasurer – Ken Vogel*

*Approval by acclamation.*

Allan Manson thanked the board for the opportunity to contribute. He suggested considering making a small donation (\$500) to Mike Gelhaus for his work on the passenger cars visited during the convention. Taylor noted that we still need to finish the accounting costs of the convention (such as the train movement).

Adjournment at 11:53 am.

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### **BOD eMail Action** – November 4, 2010

The Minnesota Transportation Museum is experiencing down attendance and up expenses. James Dick noted this in a letter he picked up from the MTM. He suggested making a donation to help them defray costs through the end of the year. He also assumed it was an isolated request away from our pre-existing agreement, so it would not set a precedent.

*Motion for a one-time donation of \$100 to the Minnesota Transportation Museum to help with 2010 expenses – Dick, Hillard 2nd, carried.*

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### **BOD eMail Action** – November 8, 2010

James Dick found out that NPRHA member, Ted Pope, was disposing of his 46” flat file drawer that was an opportunity for the NPRHA JSRH archives to acquire it at substantial savings over comparable drawers (retail at about \$500). It would also come with a permanent loan of a great number of USGS maps of various sizes and scales.

*Motion for the grant of \$300 for the purchase of a 46” flat file to be used at either JSRH NPRHA archive for oversized map storage, some of which are included in a “permanent loan” – Dick, Clark 2nd, carried.*

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*Respectfully submitted December 15, 2010 – John Fujii, Secretary*