

# **NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION**

## **Report of Audit Committee For the Year ended December 31, 2011**

TO THE BOARD OF DIRECTORS OF NPRHA:

Philip Beach and Dave Hillard are the members of the NPRHA Audit Committee (“the committee,” or “we”).

In general, an audit is an evaluation of an organization, including systems and processes, as well as an independent assessment of the fairness by which an organization's financial statements are presented. Audits are performed to ascertain the validity and reliability of information, and to provide an assessment of the organization’s system of internal control. The goal of an audit is to express an opinion on an organization based on work done on a test basis.

We performed procedures considered necessary and appropriate to accomplish the above objectives. The scope of our work was on transactions of NPRHA (“the association”) and the NPRHA Company Store (“the store”) for the period beginning January 1, 2011 and ending December 31, 2011. In some instances transactions subsequent to 2011 were examined. In addition, we provided guidance and assistance to the Treasurer to make corrections and adjustments where considered necessary and appropriate.

Based on the audit work performed, in our opinion, the accompanying Financial Statements fairly present the financial condition and the results of operations of the association and the store in all material respects. Testing performed found no material control weaknesses.

Our findings and recommendations are summarized below.

### **Accounting Controls and Procedures**

Ken Vogel has been the association’s Treasurer since 2009. We thank Ken for his assistance in our work, and acknowledge the many improvements Ken has made to the accounting systems and procedures during his tenure.

NPRHA accounting records are maintained on a computerized system using QuickBooks software.

The NPRHA Board of Directors has issued a Policy on Financial Procedures regarding bank and investment accounts. Board minutes include authorization of disbursements for capital

equipment purchases and certain donations. The Committee was informed that there are no formal policies regarding authorization of disbursements for day-to-day operations.

The financial statements of the association and store are attached to this report and will be discussed separately.

#### The Association

##### Cash

As noted in our previous reports, the association maintains numerous checking, savings or investment accounts with several different financial institutions. The accounts earn interest at various rates and, in the case of certificates of deposit, have various renewal dates. **We continue to encourage consolidation of the various accounts so that interest earned is maximized, and management of renewals, accounting, etc. is simplified.**

#### The Company Store

##### Cash

**We continue to believe that the company store maintains cash balances which are excessive for its needs, and suggest that some cash be transferred to the association and combined with other investments to maximize yield.**

##### Inventory

The store's investment in inventory exceeded \$34,000 at December 31, 2011, including approximately \$5,000 for nearly 400 sets of NP Color Drift Cards. We believe that quantities on hand for some items are far in excess of realistic sales levels, and encourage the Board to consider the maximum amount of inventory investment with which it is comfortable. The contract with the current Fulfillment Contractor includes a storage fee based upon the number of individual Stock Keeping Units (SKU's) held in inventory. We believe this is further incentive to control inventory levels. **We suggest that the excess quantities be offered for sale at greatly reduced prices at annual conventions.**

##### Sales

The store utilizes the Storehost Online Commerce Suite ("Storehost") to process its on-line operations under an agreement with Xfactor Multimedia Inc. Reports from Storehost serve as the basis for recording sales in the store accounting records. Our previous reports noted instances where sales were cancelled or otherwise adjusted after the initial entry in Storehost, with the result that those sales were improperly recorded. Our work for 2011 resulted in an

adjustment to revenue and accounts receivable of approximately \$600. **We again recommend that sales orders entered in Storehost be reviewed on a regular basis, and that corrections or adjustment be handled in a timely manner.**

#### Mainstreeter and Calendar Sales

The store received proceeds from bulk sales of *Mainstreeters* and Calendars to hobby shops, amounting to \$4,700 in 2009 and \$5,600 in 2010. This practice was discontinued in 2011, and bulk sales amounting to \$4,500 are included in the operating results of the Association for 2011. While the change resulted in a reduction of the store's net income for 2011 as compared with previous years, we believe the store's financial results are more fairly presented.

Our previous reports have noted that extra copies of *The Mainstreeter* and the annual Calendar not mailed to NPRHA members are turned over to the store for sale. The store does not pay NPRHA for these items (i.e., they are not included in the store's inventory asset as found on the store's Balance Sheet). While the appropriateness of this practice may be debated, we believe that the Board should be aware that store operations, and net income, are subsidized by the gross profit from the sale of these items. Gross profit from *Mainstreeter* and Calendar sales exceeded \$2,700 in 2009, \$2,400 in 2010, and \$1,700 in 2011.

The store incurs bank fees and fulfillment costs to process membership dues and convention registrations on behalf of the association which are paid by credit card. The association does not reimburse the store for these costs; therefore they effectively offset the subsidy from *Mainstreeter* and Calendar sales.

#### Sales Tax

The company store collects tax on sales of merchandise to residents of Washington State. The store is also required to remit sales tax to, and file reports with, the Washington State Department of Revenue on a quarterly basis. We noted that the amount of sales was understated on two of the reports filed in 2011, with the result that the amount of tax for those quarters was underpaid. We also believe that sales tax on merchandise sold at swap meets is being overpaid. While we believe that the net amount of underpayment is not significant, the store may be subject to penalties for improper reporting in the event of an audit by the Department of Revenue. **We encourage the Treasurer to be more diligent when reporting and paying sales tax.**

We noted several instances where sales tax was not collected on some items sold. **We believe there may be a coding error in the Storehost system, and suggest the Treasurer investigate and correct the matter.**

Sales tax is collected at a 9% rate, however the rate the store pays to the Department of Revenue is 9.5%. **We suggest that the rate for collecting sales tax be increased to 9.5%.**

*We are informed that the collection matters discussed above were corrected in 2012.*

## **2011 Carlton Convention Report**

At the BOB meeting held on the Sunday, post the 2009 White Bear Lake convention, it was decided by suggestion of Jack Christensen that in choosing between a convention site held at either Dickinson, ND or the Duluth/Superior area, that the convention should be held in the Twin Ports area. To support Jack's suggestion, I chose to chair the convention to help ease the vote.

I (and Vita) had just finished wrapping up the White Bear Lake convention and as this was two years out, I thought that this would give us some breathing room to reflect back on lessons learnt and then move forward. As soon as the board members left the hotel site at White Bear Lake, Vita and I had lunch in the dining room. Several of the wait staff came up to use and told us to pass along thanks' to our group. They felt the NP group as a whole had tipped above average and behaved quite well and mentioned that in their experience, this could not always be said of convention groups.

Very shortly after the 2009 convention, Vita and I started looking into possible sites for the 2011 convention. The 2009 GNHRS convention had been held in Duluth and some of the opinions of GNHRS members were solicited. Immediately it became clear that one hotel, site of both the GNHRS and a prior NPRHA Duluth convention might generate adverse concerns. Though close to the Lake Superior Rail Museum, the hotel was well past a scheduled upgrade to the property and carpet both threadbare and worn were observed in many public areas. A check of a nearby major chain competitor one block away yielded the same conditions.

A check of possible sites in the town of Superior held little hope of improvement. At a waterfront Superior site hotel that was once a showpiece of the town, a walk through of the site quietly testified to years of delayed maintenance. Furniture in rooms showed wear and tear at the corners however even more importantly, we found heaving uneven sidewalks which we thought were not in the best interests of the membership whose safety would be put at risk by such dangers. A conversation with a housekeeper while looking at rooms revealed that a scheduled upgrade had been put on hold years earlier however could happen at any time. A check of the banquet facilities however showed rooms which would only hold 80 people, and this was our best hope for a site in Superior.

In addition to the above findings, the popularity of Duluth and Superior as a vacation destination caused room prices to be rather inelastic in nature. Unless the two sites in the downtown area receive a major upgrade or a brand new venue is built from the ground up, combined with the inelastic pricing noted, prospects for any sort of future convention in the central Twin Ports area look very bleak at the time of this writing in the late fall of 2011.

### **Finding the Black Bear**

After the second weekend visit to the Twin Ports area found nothing, I was admonished by my brother to "stop and take a look" at the site near Carleton and see what might be made of those facilities. The site was about one mile from the site of the start of the NP, not too much more distant from the town of Carlton itself, a former NP east end hotspot. A walk through yielded that the site certainly had plenty of room both in overnight lodging and in meeting room facilities.

Staffing and Rooms -We stayed overnight during the week about 18 months prior to the convention timeframe to establish how the staff on-site would handle us. The visit was handled well and efficiently. Staff was welcoming from the moment we entered the property. Desk staff greetings upon arrival were warm, several elevators were available to the newer tower section and family rooms which would hold up to three double beds in one room were available in the original hotel poolside area. The pool was large, clean, and well light. Access to the rooms was controlled by active security on site. The room was clean, quiet, modern, both roomy and efficient, and best of all, I could get a partial glimpse of the NP's former Lake Superior second sub track from our room.

Food options - The food in the evening dining room where we ate that evening seemed to be good, fairly priced, and wine selections were acceptable. In addition, several options for food were available on-site, one of the options being a twenty four hour venue, the other an all you can eat buffet which I heard much positive feedback on at the convention.

Of concerns for smoking in the gambling floor of the site, both my wife and I are employed by the health care industry, and are quite sensitive to concerns we had heard about "walking the gauntlet" from the rooms to the meeting halls however it seemed that the site was engineered quite well to abate any problems. After walking back and forth through the gambling area, we felt that we could not detect any residual cigarette odor on ourselves.

After two talks regarding holding a convention at the Black Bear site with Cassie, who represented the Casino, it became rather clear that the convention would be held at that site. First and foremost was that the Black Bear site was simply in much better physical shape, in all regards of lodging, food, and facilities. The second point was pricing. We were able to negotiate room rates at 1/2 of the lowest prices the downtown hotels could offer. Meeting rooms were offered for one hundred dollars less per day for comparable venues.

We had approached the two major hotel sites in Duluth and initiated negotiations at the same time we were talking to Cassie. When talking with these two sites, it became clear that there was a threshold in size our group simply cannot meet and will be less able to in the future unless we manage to reverse our outflow of membership, or enter into joint conventions with other historical railroad groups. The first threshold is be the ability to guarantee approx. one hundred rooms per night, which leads to the second number of two hundred and fifty, which is what many halls are designed to hold in theatre style seating. In essence, we are using 50 percent of the capacity of many halls yet being charged for use of the entire hall.

In my 2009 convention report I had heavily emphasized my feeling that when the NPRHA approached a site, it ideally should be the size of venue that we are the front and center of importance and in dealing with all of these sites again this feeling was reinforced. Sites with about 100 rooms fit this template. The White Bear Lake 2009 site had 86 rooms and we (with many members being local) never exceeded the capacity of the site.

In particular, bringing this viewpoint home was the call I received in May of 2011 just months prior to the convention when I was told that another large group wished to book the entire hotel and banquet facilities for the time frame we had al-

ready reserved and in return for changing our convention time, the Black Bear would provide all our meeting rooms for free, that is the presentation hall, the Company Store room, and wave all table rental charges (the company store, the flea market, the model tables,) etc;. I must admit for a few seconds I paused before answering no. This represented a several thousand dollar shift in the conventions bottom line and indicated to me how our group will no doubt be looked upon in the future by large venues where we hope to book. The amenities a larger site offers are valued by our better established members greatly however a balance to the needs as a whole must be struck. I'll cover this further in the summary notes.

**The convention** seemed to me at least to run acceptably smooth. Not as smooth as desired, but acceptable. I did let the content override the clock in some cases. Though this may not meet approval in all corners, it was pointed out to me prior to the convention that "for some of us, this may well be our last East End convention. (This comment was made to me by an NP vet). The photos and some presentations were unlikely, despite the best of efforts, to be seen again by some and therefore I made a deliberate decision to let certain photo presentations, override the time constraints. I had also put my presentations or presentations which could be readily reproduced, for example photos on a CD, directly after these photo presentations so that I had my bases (somewhat) covered.

**Of finances**, I am still not sure where we stand however will address this in the summary notes.

**Tours for NPRHA Spouses / Women's Tours:** There were two tours set up by Vita Muggli and myself.

The first was the tour of the Glensheen Mansion on the shoreline of Lake Superior in East Duluth. The mansion was built by descendants of the Weyerhaeuser Lumber interests' family. Considerations and complications were that it is a multi-story complex. The one elevator on site is not working and some of our members have mobility concerns. From the feedback from my wife (an admittedly biased source) was that everything went well. After the Glensheen they lunched in an outdoor setting at the Midi Restaurant located at the former Fitger's Brewery, now an upscale hotel and shopping site. This tour had a van provided for transportation.

The second tour, following two days after the first tour was a luncheon at Nokomis Restaurant, which is located on the shores of Lake Superior, nine miles above the Duluth City limits. Of this tour, my wife and another spouse took their cars and used these to transport the group.

Both group outings had nice sun with lakefront breezes to keep them cool. A nicer combination I cannot think of. I believe the outings are a very good thing and have strived both in 2009 and again in 2011 to support these fully. I would like to see such efforts continue as the feedback received has been wonderful, both from the attendees and the spouse.

### **Presenters**

A review of the reason we ended up at this site is pertinent in opening up the topic. Jack Christensen mentioned at the Sunday board meeting in 2009 that "this could be his last stand at an East End convention". We hope not Jack. However...looking over presenters of past NPRHA conventions, some have left us; some have retired from presenting due to travel and other concerns. (We had several vendors cancel for

the reason that Amtrak was washed out and flying or driving long distances were not an option). This diminishes the number of people who can present history from an empirical background.

Roger Hinman – NRC Refrigerator cars  
Mike Borkan – RPO Mail on the NP  
John Kennedy - NP Photos  
Larry Schrenk – 1933-1934 WF Century of (rail) Progress  
Myself - APB signaling on the NP -and-  
Presentation of Castle Rock, Washington Station  
Kay Browne – Wadena Depot Historical Society  
Ken Zieska – photo collection of Bob Kolodge  
Chuck Lake – Remembrances of his Grandfather  
Jeff Otto – Model Layout Guide  
Twin Ports Rail History CD  
Modeling Committee - Laser Kit Assembly Clinic  
Aaron Gjermanson – NP car study from archival data

Of presenters, Roger Hinman presented on the NRC Refrigerator Company, Roger's book is out into print as this is being written. We were fortunate to get an early oral reprise of parts of the book. NRC was NP's answer to the GN and PFE.

Mike Borkan presented on mail car routes and service on the NP. Larry Schrenk on the 1933-1934 "Century of Progress" World's Fair.

Chuck Lake presented on a 1" to the foot train his grandfather built in the NP's Brainerd shop.

Aaron Gjermanson gave a modeling presentation twice, once to the NP group, once to the model gathering.

Jeff Otto gave a 2.5 hour presentation at my urging in the evening following the day outing.

I presented a short segment of photos on the Castle Rock, Washington Station. In concert with the former, Kay Brown of Wadena was kind enough to outline her multiyear struggle to restore the Wadena depot. For many decades I had driven past the Wadena depot and in all honesty, expected someday to see it bulldozed, however was happily shocked several years ago to see it on the path to restoration. I had hoped this presentation can server as a template for others to follow.

We also completed the company store kit-building that had been pended from the 2009 convention. This proved to be quite well received. At the time it felt like controlled barely controlled pandemonium however in hind site, it has felt that way when I have participated in these both on both sides of the table on various occasions. My heart felt thanks to all of the Mod Com members who rallied to help in this event. I have since been asked to put this on for an East End Meet.

John Kennedy was given several presentation slots. He has a personal collection of images estimated at 10,000 images. His presentation seemed particularly well received by those in attendance. John has indicated that he would be open to showing more slides at future conventions.

**Veteran's Panel:** was a two hour affair aided in part by Dennis Hendry. Years ago I had heard that "the best days of the vets are behind us". I have worked rather

hard at both the White Bear Lake and this, the Carlton Convention to disprove that statement and believe I have. Feedback from many others post convention, have served to support that view.

**Flea Market:** This event was the most troublesome. As mentioned prior, a golf tournament luncheon was held on the other one half of the banquet facilities, which badly taxed the ability to acquire sufficient banquet tables for the flea market vendors. Tables were obtained from the site for one dollar each and sold to vendors at five dollars each. Tables had to be moved with much duress from the older heritage meeting rooms (where the company store and board meetings were held). Expanding on comment of movement under duress, it was hotel policy not to mix the tables from these two areas (heritage or new) and in addition, banquet staff had worked prior evening and O/N hours and so no one was there to assist and had they been, the staff would have had every right to refuse the request. Again this underscores what I believe is the correct view espoused to find sites of the size for conventions where our group is the front and center focus of the site.

**Modeling Presentations:** As there were troubles with finding tables for the vendors earlier, this same concern spilled over onto the modeling presentations held later. As I understood it, “enough” tables were present, however many more were desired, and could have readily been used. Only slight comments are posted here as this was the first year this format was used and some problems might have been expected. Comments that reached me were very little of the teething problems that could have been expected were experienced and attendees were quite happy.

**The Keynote Speech and Banquet, and Raffle:** Jack Christensen was the Keynote Speaker. My feeling is that Jack gave a very good speech and it was well received by the dinner attendees. It was most appropriate that Jack should be the speaker many later told me. This reminded me of a sight I saw at the White Bear Lake Convention just prior to Jack giving his presentation then which was a man surrounded by his many decades earlier employees and all of them earnestly reconnecting with one another, with Jack being the center of the focus in the group. The banquet was well managed by the hotel staff and my feeling is that the raffle with Ken Zieska went well.

#### **Summary:**

**Price Structure of Conventions:** The NPRHA Board must set a policy regarding the financial expectations of a convention. If a convention is expected to turn a profit, it should be clearly stated, and as either a dollar sum in an aggregate sense for the convention or a percentage per attendees gate fee. A statement by the Board like this would help clarify the number of calls that chairs receive, and I and my wife received several in the course of putting on two conventions. (These calls are normally of the nature asking for an explanation of price structuring.) I had these same experiences when putting on my first convention several decades ago. While formulating this policy the Board should keep in mind, do we want to be viewed as inclusive or exclusive to attracting new membership.

**Women’s Tours:** These seem to be a viable event for their attendees - when supported by the convention staff. I feel that these had succeeded to a large degree because of the support of my wife and her previous experiences at other non-NP conventions. Perhaps a small amount could be set aside (Two hundred dollars is suggested) to be available as a down payment in booking events or transportation prior to the conven-



tion. In both cases of the 2009 and 2011 convention, these events proved to be revenue neutral and so once an initial amount is set aside it should only require modest future oversight.

**Suggestions as to Convention Site and dates:** First, let me be very clear, the following is in no way meant to “tie a future convention chairs hands”. It had been stated in a prior report by John Hilliard (Memo of July 6, 2011- Subject: Possible use of Yellowstone Park for Railroad Historical Convention) that the Yellowstone Park site might not be received well because of date concerns. Stated verbally by John however absent from the report was that families with children would be a concern. We had one adolescent at our convention to the best of my and my wives knowledge. Of this, we were asked about what sites in Duluth, a teenager might appreciate. The family I was later able to ascertain spent 50 percent of their time at the convention and 50 percent off-site. I have heard prior the comment that we need to keep our conventions in the current date range, “for the sake of members children”, however other than this one child who was there only partially, no children attended. My feeling is that we need to be open to attracting new membership in the 25-35 age range as continuing on the same path we are currently does not seem to yield the results desired. As part of this openness to new ideas I wish to suggest re-exploring a Yellowstone Convention, possibly as a joint convention with another railroad historical organization.

**Notable Mentions:**

Ken Zieska,

I wish to thank for responding to my requests for help both at this convention and the White Bear Convention. Ken helped in innumerable ways and often at a moments notice. His calm demeanor was often a welcome accompaniment at both planning and during the convention.

My wife Vita,

A spouse who supports the other’s hobby is a great asset and gift. A spouse who gets involved in helping out is a greater gift. My wife supported and chaired the women’s tours.

The Modeling Committee,

Who after I needed to crash on Saturday for several hours and get some badly needed sleep, took control of the events and all feedback received was of a job very well done.

James Dick - Chair of 2011 Carlton Convention



## **NPRHA GNRHS JSRH Joint Archives Report**

July 2011

Prepared by Mike Borkan

### **Events**

The Archives group coordinates and hosts the NPRHA East End Meet a couple times per year; the meet lasts about four hours. Approximately twenty to thirty people attend, coming from as far west as Whitefish, MT and as far east as Chicago, IL. The meet is usually scheduled twice per year, early Nov and late winter (Feb/Mar); coupled with the annual convention held each July, this allows for NPRHA get-togethers about once every four months. Historical and modeling topics over the past year have included:

- Designing a Model Train Layout for Operations by Jeff Otto
- Mystery photo quiz with ten pictures to identify place, equipment, what was going on, etc by Larry Schrenk
- NP's Classification System for Steam Locomotives by Larry Schrenk
- Drawing for a one-of-a-kind kit for making a model of an NP standard repair shed. Doug Complin won the drawing. Everyone received a copy of the plans. Drawing and kit by Larry Schrenk
- Ellensburg Depot restoration update and video by Jim Dick
- 2011 NPRHA convention update by Jim Dick
- Twin Ports slide show by Gary Wildung
- Pioneer Steam Era book update by Larry Schrenk
- 1929 All Pullman West slide show by Gary Wildung
- Making of the Silver Streak slide show by Gary Wildung
- Ellensburg Depot restoration and video presented by Jim Dick
- 2011 NPRHA convention update by Jim Dick

### **Collections and Displays**

Several collections were either donated or added to during the past year, including:

- a. Allan Brennan collection – NPR annual reports 1877-1968
- b. William Oberg collection – NP Drum and Bugle Corp coats, books, photo
- c. Wilder Foundation c/o Kyle Herskovitz – Rwy Transfer Co of Mpls annual reports from the 1910s
- d. Thomas Taber collection – two summary compilation books on RR historical societies
- e. Carroll Mattlin collection – most items donated to the MTM; REA safe; RR and train magazines; RPO practice sorting kit
- f. John Palewicz collection – books, including a 1953 Car Builder's Cyclopeda
- g. Chuck Lavallee collection
- h. Bill Bursack collection – several boxes of books

A couple years ago, Lila Kravetz, who helped start the NP stewardess nurse program, donated a very nice maple and glass display case to house the stewardess nurse uniform donated by Barbara (Person) Hancock during the 2009

NP convention. The display case has been placed in the JSRH museum. We regret to report that Lila Kravetz passed away during mid-January 2011.

### **Archiving and Research Sessions**

Weekly archiving sessions of the NPRHA/GNRHS/MTM Joint Archives at the Jackson Street Roundhouse in St. Paul are held Tuesday evenings throughout the year. The sessions run from 6 to 9 PM. Regarding NPRHA members' activity, there are one-half dozen members who show up regularly. We plan on moving winter sessions to Saturday mornings – from Thanksgiving thru March.

The Archives group continues to periodically contribute the column "From the Archives" to the NPRHA's Mainstreeter magazine. A couple dozen queries are answered each year, many supporting research for articles and presentations. Some of the topics researched at the Archives and the Minnesota Historical Society over the past year:

- Roberts, MT NP depot plans and information
- Name change from NP Junction to Carlton information
- NP observation cars as part of NP passenger car research
- Ellensburg, WA NP depot information – Steve Hayden and Erin Confit
- Butte depot plans sent to the owner of the depot
- Toppenish depot plans sent to the depot museum
- Freight car information
- Northern Pacific and Manitoba RR material including survey notes of the Cascades and North Dakota branch line info. Bill Bursack has passed away and Jerry and Frank Vlysak are working together to publish the NP North Dakota branch line book
- Lacey, WA NP depot information and AFE searches for Dr. James Hannum, who is involved in the rebuilding of the depot
- Information for Roger Hinman - additional materials were sent to him. MDT book is at the press at this time.
- Stockyards and M&St.L/NP interactions information for Doug Harding
- NP Mechanical Files information for Ed Hawkins, who does the highly Railway Cyclopedia books; getting an NP tidbit or photo in one of these books goes far <http://www.rpcycpub.com>
- Manfred Family of Spokane area - NP personnel files searched for 25 family members' records
- Snoqualmie trestle AFE project information gathered from microfilm
- Posted on "The Telltale" Yahoo group: 1953 NP passenger train movements and consists for the entire system
- Posted on "The Telltale": meat packing house freight movements on the NP

Over the past year, Hudson Leighton of the Archives group has scanned in an additional 150+ photos from the Gene Hawk collection and they are posted on the GN-NP Joint Archives website. His other work includes scanning several Officers Agents and Stations books and putting them on a CD, along with scanning NP timetables and maps. Hudson provides computer support for all groups at the JSRH Archives. He has also made a Duluth panorama banner for the 2011 NPRHA convention.

## **Operations, Facilities and Equipment**

In consultation with the GN group and those who run the Joint Archives website, we are in the process of upgrading the computers in the Archives office to Windows 7.

The digital projector purchased in June 2009 is being used at the 2011 NPRHA convention.

JSRH Security: There are no significant security events from the past year.

MTM = Minnesota Transportation Museum, owners of JSRH

JSRH = Jackson Street Roundhouse

GNRHS = Great Northern Railway Historical Society

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2011

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### **BOD eMail Action** - May 3, 2011

The NPRHA Company Store management and fulfillment positions are in transition. Jeanne Franz accepted the role of Company Store manager from Al Ahlgrim so he can continue with the mailing project. Dave Cooley will finish his contract to the end of June without renewal so that he can develop other opportunities. His four and one-half years of excellent work for the NPRHA Company was noted and appreciated.

After discussion of several alternatives for continuity, the BOD reviewed a proposal dated 4/26/2011 from the Pacific Northwest Railroad Archive (PNRA) for secure storage, inventory, and fulfillment services (order and payment processing, handling and shipment) of the NPRHA Company Store inventory. Additional fee services included audit support, "Convention Store" packing for transport and inventory restocking, and special projects coordinated and agreed upon by both parties. A fee schedule of service charges was provided for areas such as space rental, reporting, transactional work, stocking, order processing, payment processing, and convention order support.

Insurance liability, inventory transfer logistics, and audit committee inputs were also discussed. The PNRA proposal was deemed best for the current NPRHA Company Store fulfillment needs. Additional business operations and store mission would be an ongoing review by the BOD and other parties.

*Motion to accept the proposal to move the NPRHA Company Store to the PNRA for inventory storage and fulfillment services – Franz, Dick 2nd, carried.*

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### **BOD Carlton MN** - July 12, 2011

Call to order by President Taylor at 7:12 pm.

**Members in Attendance:** Phil Beach, Pat Egan, Bob Horne, Bill Kuebler, Allan Manson, Bob McCoy, Larry Schrenk, Ed Sherry, Bill Taylor, Gary Wildung. **Board:** Jack Christensen, James Dick, Dave Franz, Chris Frissell, John Fujii, Jan Taylor, Ken Vogel. **Absent:** Milt Clark, John Hillard.

The NPRHA Conflict of Interest (COI) statement read aloud and affirmed by those present:

*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.*

**Agenda** – reviewed and approved – Dick, Franz 2nd, carried.

BOD recorded 2010 minutes published to nprha.org. *Motion to accept last minutes – Franz, Frissell 2nd, carried.*

#### **Finance**

Vogel reported that the report activities did not differ greatly between 2009 and 2010. The organization was on track, in good shape, and that the accounting system was in good shape. All current CDs were currently in collected and in Vogel's care. Discussion around *Mainstreeter* shipping was brought up but that the NPRHA is still under the current cost envelope.

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

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2011

### Audit

Beach presented the 2010 audit report. He thanked Dave Hillard and Ken Vogel for all of their work on completing this task, especially Hillard's contributions. The committee determined that the organization's financial statements fairly presented the condition of the NPRHA and its operations. Testing performed found no material control weaknesses. The sections of the report covered:

- **Accounting Controls and Procedures** – Treasurer has improved many systems and procedures per previous audit recommendations
- **The Association**
  - **Cash** – continued simplification recommended
  - **Results of Operations** – observed 2010 convention returns higher than normal, asked if dues remain adequate for operations, asked sustainability given average age of over 66 years of age, discussed questions about diversification of resources and use of asset income
- **The Company Store**
  - **Cash** – cash balance in excess of needs here
  - **Inventory** – discussion of inventory and questioned the disposition of excess quantities of items such as *Mainstreeter* and past calendars
  - **Sales** – Storehost Online Commerce Suite – needs periodic review of activity for timely adjustments and corrections based upon sales activity
  - **Mainstreeter and Calendars** – discussion about cost to store of these units (paid for by NPRHA), proper taxation of purchases by non-members, tracking of these separate lines of service, general intent of store debated (member service or business operation?)
  - **Modeling Committee** – recommendation that this committee develop a procedure to accurately report costs to the store of kits produced by committee
  - **Financial Procedures and By-Laws** – recommended current “Policy on Financial Procedures” be repealed in their entirety since the stated situation does not exist now – need By-Laws update
- **Appendices**

At the end of the presentation, Vogel and the Board formally thanked Beach and Hillard as the audit committee for their hard work on this task.

*Motion to accept the report by the NPRHA audit committee – Frissell, Dick 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 meets a couple a times per year, meeting for approximately 4 hours at a time with 20-30 people attending (as far west as Whitefish, MT and as far east as Chicago, IL) – historical and modeling topics included *Designing a Model Train Layout for Operations* (Otto), Mystery Photo Quizes (Schrenk), NP Classification System for Steam Locomotives (Schrenk), Ellensburg Depot restoration (Dick), Twin Ports slide show (Wildung), and others.
- **Collections and Displays** – New collections added or donated included those from Brennan, Oberg, Wilder Foundation, Taber, Mattlin, Palewicz, Lavelle, Bursack, Kravetz, et al. It was noted that Lila Kravetz (one of the founders of the NP stewardess nurse program) passed away in January 2011.
- **Archiving and Research Sessions** – Weekly archiving sessions of the NPRHA/GNRHS/MTM Joint Archives held Tuesday evenings (6-9 pm) at the Jackson Street Roundhouse in St. Paul. Winter sessions between Thanksgiving to March moving to Saturday mornings. Some of the research projects reported included Roberts/MT NP depot plans, NP observation cars, Butte depot plans, Freight car information, Northern Pacific and Manitoba RR materials, Stockyards and M&St.L/NP interactions, NP Mechanical Files, Snoqualmie trestle AFE project information, miscellaneous contributions to “The Telltale” Yahoo group. Hudson Leighton of the Archives group has scanned some 150+ photos from the Gene Hawk collection for posting on the GN-NP Joint Archives website among other contributed scanning projects.
- **Facilities and Equipment** – In consultation with the GN group and those who run the Joint Archives website, the archives group is in the process of upgrading the Archives office computers to Windows 7. The digital projected purchased in June 2009 is being used at the 2011 NPRHA convention. There were also no significant security events from the past year for the JSRH space.

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Schrenk also reported that he has written a minimal skeleton for the massive collection of maps acquired from the BNSF to help facilitate search. We need someone for data input of these notes, however, to make this more effective. Taylor also corrected the report for the Ellensburg, WA NP depot information (Erin *Condit*, not Confit). Discussion occurred also about proper attributions of research done in our archives (perhaps given as a standard handout with boiler plate of our requested attribution types). Frissell reported that he had heard requests from a few people using the East End archives for better scanners, printers, and paper for their work.

### Archives – West-End Report

Ed Sherry reported that the state of the West-End Archives was similar to the written report submitted last year (one was not available for this meeting). Discussion about the storage shelving project ensued with Christensen attesting to its quality (he helped move the heavy/sturdy materials into place).

*Motion to accept committee reports for both archives – Frissell, Vogel 2nd, carried.*

### Calendar Report

Kuebler reported that the process documentation (Memorandum of Understanding) continues between the NPRHA Calendar Committee and the board. The report includes the current deadlines (October 1st of two years prior to the calendar year of interest and January 15th of the year prior to the calendar year in production) and their work with John Kutz for photo editing and layout production. The committee commended Kutz for his work and recommended continuing this relationship. Cosmetic changes to the formatting included adding lunar phases for each month, limiting the number of lines of text per day entry (so that there is writing space for personal notes), and updating of various thumbnail images for variety and interest. Photo selection criteria and a general call for new material was also mentioned in the report. In general, the membership seems happy with the product.

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

### Company Store

Taylor introduced the report with a discussion about surplus calendars. What should be done? Wildung noted they were good promotional items as give-aways at functions. He also noted that printing of volume for price breaks was a consideration that was balanced each year (although we also need to consider storage and handling costs as part of this balance).

Continuing, Taylor reported that the five-year contract with Sunrise Productions for NPRHA Company Store services has expired. The new fulfillment contract was approved with the PNRA. Taylor noted that the NPRHA is paying for SKU item number maintenance. We need to look at our inventory needs and determine if any can be eliminated or retired. We also need volunteer help who might have retail management experience – will ask the membership for any they can provide to help with our current store manager volunteer (Jeanne Franz). Wildung offered ideas of how to use inventory that was not moving – door prizes at banquet tables (indicated by sticker on bottom of random chairs, items can be then be written off). Gary Tarbox reported via an email that the store inventory had been moved in a timely fashion. Taylor mentioned that having shared some *Mainstreeter* issues with her motorcar group during a recent event and several came back complimenting us on the sophistication of our organization – they had no previous idea. Dick reported something similar with modeling groups he had visited with. He noted, though, there was a bit of a challenging balance between something given for free (thus perceived with less sense of investment by the recipient) and something moderately charged for (a few coins) – context dependent, but something to consider.

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

### Conventions

Taylor started the discussion with her preliminary list of known convention dates for NPRHA and other entities. The NPRHA dates were:

- 2011 – July 13-16 – Carlton, MN
- 2012 – July 18-21 – Butte, MT
- 2013 – undecided – undecided (*East convention*)
- 2014 – July 16-19 – Yakima, WA



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2011: James Dick reported the convention was on track to make money. There were some challenges with last minute cancellations by presenters and attendees but he estimated things would work out. He also desired feedback from the attendees and organization about how they thought the Blackbear Casino & Resort facility worked for the convention (to help planning considerations in the future).

2012: Bill Taylor reported he was passing out reminder cards for the Butte event (18-21 July). Contracts have been signed and the convention venue is the NP depot in Butte. It has been restored back to its original condition. This will be the first event that is not on a hotel property. Two hotels are recommended in Butte – Finland Hotel (old style but upgraded – less than 1 mile from depot) and the Warbonnet Hotel (more modern, about a mile from depot). Both hotels are probably not walkable to the depot for convention attendees. There is plenty of parking at the depot. There will be discounted prices at both properties. (Feel free to book at other places if you like.) The convention will run bus shuttles to these two properties (subject to its usage – if not useful, then it will be cancelled – except perhaps for Saturday night’s banquet). Tours of Butte can include above- and below-ground mining operations, a Serbian church, and other interesting presentations. There were questions about train rides – BNSF says that the subdivision there is disconnected, so it will not be likely (Taylor would announce if anything different comes up). Air travel to Butte may be challenging – Delta flies commuter air in from Salt Lake City (3 flights per day). Bozeman and Missoula are also possibilities for airports (but will require a car rental).

2013: Skipped.

2014: Taylor reported that Larry Rice is on board for the Yakima area. Vogel said that the group is looking at hotel properties. They are very enthusiastic about this event.

Taylor noted that we received a letter from the president of the GNRHS, Father Dale Peterka. They are open to the idea of a joint convention with the NPRHA. She also had a note from the Burlington group as perhaps a merger-convention (only one-time, not a repeat joint event). She mentioned that she had contacted Kyle Brehm in Billings, MT, as someone who might help with the investigations of a joint event (NP, GN, CB&Q). No commitments were made, just kicking around ideas at this point.

Taylor mentioned that John Hillard had done some investigations about Yellowstone Park as a potential venue. Some discussion happened around an autumn meeting. Beach noted that a Fall convention might be a downfall for attracting younger membership with families. Others disagreed – they noted some they had talked to had expressed interest in a non-summer timeframe. There was no consensus, but Taylor urged board members to talk further to the membership about such a timeframe (not in the July summer timeframe as traditionally occurred). Bill Taylor noted that non-peak hotel months in September/October might help. Egan suggested considering Brainerd, MN, if non-summer months were a possibility. Schrenk also noted that a potential banquet format might be more like a reception event (where there was no formal sit-down service – rather, the food was distributed around the room and people would meet many more people by serving themselves – he thought it was the best socializing banquet experience he had ever had). This is a format used by many large-attendee technical conferences noted Fujii.

Taylor urged those present to continue to talk to the membership about these ideas.

### **Nominations**

Franz reported that John Hillard had been instrumental in following through on contacting candidates, especially given that he could not be at the convention for a number of personal reasons. He also reported that Milt Clark sent his regards and apologies for not being able to attend due to conflicts. The two new positions to fill were:

- Bill Zidel, Olympia WA (2 year term) – Milt Clark vacate
- Alan Dahlman, Wahpeton ND (1 year term) – John Hillard vacate

The other positions to fill by agreement of standing members were:

- Jack Christensen, Edmonds WA (2 year term)
- James Dick, Roseville MN (2 year term)
- Chris Frissell, Polson MT (2 year term)
- John Fujii, Ft Collins CO (2 year term)

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

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The continuation of the meeting was scheduled for between 1:00 – 3:00 pm on Saturday to accommodate the Swap Meet and Modeling Committee events.

*Motion to suspend meeting until Saturday – Franz, Vogel 2nd, carried.*

Adjournment at 9:14 pm.

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### Annual Membership Meeting Carlton MN - July 15, 2011

Prior to the meeting opening, Jan Taylor provided those in attendance with a brief alternate searching tutorial for NPRHA.org through the search engine, Google. When forming an inquiry of interest (such as “Auburn”), preface it with the search term “site:nprha.org” to isolate your focus on entries in our site:

site:nprha.org Auburn
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Official meeting called to order by President Jan Taylor at 11:09 am.

Taylor welcomed attendees to the general meeting and introduced the board of directors at the head of the room. She also took a moment to recognize and applaud many convention and organization contributors from across the NPRHA including 2011, 2012, 2013 convention planners, audits, east- and west-end archive volunteers, calendar committee, company store, grants, *Mainstreeter* contributors, modeling committee, website, and many others.

The NPRHA Conflict of Interest (COI) statement read aloud and affirmed by those present:

*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.*

2010 minutes (complete and condensed), financial summaries, and agendas were shared members present in the room. Taylor noted that the condensed minutes were her summaries of issues conducted in-person and electronically by the board. The full minutes for calendar 2010 were available on NPRHA.org and at the beginning of the week upon request.

*Motion to approve the NPRHA 2010 minutes – Robert Rhode, Jerry Masters 2nd, carried.*

#### **Financials**

Ken Vogel thanked Dave Hillard and Rick Beach of the Audit Committee for their audit review work of the organization. He also noted that the year-end tax return was filed with the help of an accountant, so in general, the NPRHA financial reporting status was in good order. Vogel noted that the company store transitioned between 3 store managers, so there was not the normal continuity of sales history as there was in prior years. He also pointed out the financial success of the 2010 conference, but he didn't see much significant change year over year beyond that. Jerry Masters noted that the *Mainstreeter's* reported numbers seemed low to him to which Vogel clarified that the fourth issue was put out in 2011, so its contributions were not in the 2010 numbers.

*Motion to accept the treasurer's report – Duane Durr, Gary Wildung 2nd, carried.*

#### **Audit Committee**

Phil Beach reported that the audit committee came to the standard conclusion that the financial reports reasonably stated the financial state of the organization. As auditors, they were satisfied with the reporting and that they tested

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the books and didn't detect any real problems. Taylor added that the general cash flow was being monitored against costs of production at all times.

### **Archives East-End**

Mike Borkan reported that the committee's report was available with details about the topics of east-end meets, lists of collections activities, operational updates, computer updates, and security events (none this past year).

### **Archives West-End**

Taylor reminded attendees that the archives were housed with the Pacific Northwest Railroad Archives in Burien, WA. Ed Sherry reported that the group was still setting things up in the space. He noted that one of the more significant contributions received was a lot of material from Bob Hundman (Mainline Modeler publisher). The group intended on forming an NP-focused volunteer base in the next month or two to start processing material already collected.

### **Calendar**

Bill Kuebler reported that October 1st was the last day to submit a photo for consideration of the calendar project two years away (2013 in this case). He invited the membership to submit any of their materials for consideration (even if they required some work to make them presentable). After they were reviewed in the balance of all submissions, final selections would receive considerable attention with computer technology to clean them up and color balance them. He mentioned that the 2012 calendar was just out before the convention and it had a few minor changes such as a lunar calendar and providing more space to write on days with significant historical notes already occupying a square. Questions from the audience were about the possibility of a fold-out page and also if images in a vertical (portrait) orientation had ever been considered (even side-by-side to fill out a landscape-oriented page). Vertical images had been discussed once but not pursued. The fold-out page had not been considered before but might be after discussion.

### **Company Store**

Taylor reported that Company Store volunteer managers serving in the past year included Gary Tarbox, Bruce Butler, Al Ahlgrim, and presently Jeanne Franz (through the end of the Butte 2012 convention). The NPRHA organization needs help finding a volunteer replacement to work with Jeanne for a smooth transition to that role. Taylor made a general call for participation for this important NPRHA role (NPRHA merchandise such as modeling materials is an important presence on the Internet for NP-interested shoppers.) She also recommended that ideas for merchandise be sent to Jeanne for consideration as future store products. Taylor noted that the NPRHA was talking to Al Zimmerman about a line of clothing possibilities that would not require huge inventory investments for the company store.

### **Conventions**

*2011 – Carlton MN (13-16 July):* A round of applause was given to James Dick and Vita Muggli for co-chairing the Carlton convention along with the rest of the convention volunteers.

*2012 – Butte MT (18-21 July):* Bill Taylor quickly reviewed the convention venue (a fully restored NP depot and express building) and noted that there was no specific convention hotel (although two properties, the Warbonnet and Finland Hotels, had been negotiated and secured for lodging). Shuttles were being arranged from these hotels (although Taylor previously mentioned the service might be discontinued if it was not used). Air travel to Butte is possible through Delta Airlines (Salt Lake City commuter) or alternatives from Bozeman and Missoula should also be explored (approximately 120 miles away). Butte is at the intersection of interstates I-90 and I-15. Content will include railroad and mine histories of Butte among many other exciting plans.

*2013 – Unscheduled –* Potential joint conventions being explored. Glendive is a possibility being explored by Duane Durr and others. Jan Taylor also mentioned an idea of a merger-lines joint convention. Only ideas at this point.

*2014 – Yakima WA (16-19 July):* Larry Rice is chairing. Hold the dates.

Taylor urged those in attendance to talk to board members about preferences for convention times (Summer? Fall?)

### **Grants**

Bob Horne is heading up this effort. Taylor noted that the policy was being discussed at the Saturday board meeting. The discussion was to be around the formalization of how money would be given to projects of interest to the NPRHA. She also mentioned that consideration was also due to how the NPRHA would receive donations.

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### ***The Mainstreeter***

Ed Sherry announced that the latest issue was mailed before the convention. Sustaining members received theirs via first class mail. Other members received theirs via bulk mail. He apologized that many had not seen theirs yet, but that was one of the group's primary goals – getting the publication back on a reliable schedule – mailing by the 1st of March, June, September, and December. Sherry invited new ideas for the publication to explore, but didn't expect to be changing anything about the current format for the time being. He also mentioned that the idea of a "in-memory of" feature was being discussed. Discussions were also underway with the printer about possible use of poly-bags (with cover-page for mail merge) like other modern magazines. Always looking for article content – please send them in – along with suggestions and ideas for articles. Taylor elaborated on the in-memorium section – remembrances, a name and a single line element such as "Yellowstone Division" or "engineer" or "life member of the NPRHA" or something appropriate (probably only for NP veterans and NPRHA membership for now). We are looking for feedback and/or volunteers for this idea.

### **Membership**

Taylor covered the membership report. She announced that we briefly hit 2,011 members in 2011. Right now the NPRHA is around the 2,000 level. Ken Vogel is tireless doing recruiting and selling memberships. The NPRHA can provide *Mainstreeters* and calendars for attracting interest at events like swap meets. Ken also has banners and other materials to help (and the NPRHA can help pay for the table of likely events) – just contact Ken. (We've connected with almost 1/3rd of our newest members through contacts at swap meets.)

### **Modeling**

Dean O'Neill's committee report was going to be discussed at the Saturday meeting. Please contact him for details about the committee's past year work. Taylor congratulated the group on completing the wonderful NP Color Card project.

### **NPRHA.org Website**

Taylor mentioned the NPRHA.org website and that it continues to attract content. She also reminded the membership of the search techniques that were covered at the beginning of the meeting. An attendee asked about the NP TellTale – what was it? Taylor mentioned it was a Yahoo.com chat group for all things NP of interest (history, modeling, etc). It can be found at **<http://groups.yahoo.com/group/NPTellTale>**

### **Nominations**

Dave Franz reported for the Nominations Committee that two vacancies needed to be filled. Milt Clark finished the term vacated by Gary Tarbox. John Hillard stepped down due to personal commitments. Four expiring board of directors were contacted (Jack Christensen, James Dick, Chris Frissell, John Fujii) and they all agreed to stand for nomination to another two-year term. The Nominating Committee proposed a slate for election as:

- Jack Christensen, Edmonds WA (2 year term)
- Alan Dahlman, Wahpeton ND (1 year term) – John Hillard vacate
- James Dick, Roseville MN (2 year term)
- Chris Frissell, Polson MT (2 year term)
- John Fujii, Ft Collins CO (2 year term)
- Bill Zidel, Olympia WA (2 year term) – Milt Clark vacate

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

*Motion to authorize the secretary to cast a unanimous ballot – Duane Durr, Joe Legner 2nd, unanimous passage.*

Taylor then requested if there was any old business to cover by this group. Hearing none, she requested any new business be heard from the group. She then invited any closing announcements or remarks.

Jerry Masters requested a round of applause for the service and organization of President Jan Taylor. An ovation was given by all present.

*Motion to adjourn – Duane Durr, Bill Zidel 2nd, carried.*

Adjournment at 12:03 pm.

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### BOD Carlton MN - July 16, 2011

Call to order by President Taylor and board meeting agenda resumed at 1:13 pm.

**Members in Attendance:** Phil Beach, Bob Horne, Ed Sherry, Bill Taylor, Jerry Masters. **Board:** Jack Christensen, James Dick, Dave Franz, Chris Frissell, John Fujii, Jan Taylor, Ken Vogel, Bill Zidel (*elect*) **Absent:** Milt Clark, Alan Dahlman (*elect*), John Hillard.

The NPRHA Conflict of Interest (COI) statement read aloud and affirmed by those present:

*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.*

Taylor noted that By-Laws work was ahead of the board for issues such as inclusion of this conflict of interest statement.

### Grants Policy

Taylor introduced the topic of the Grants Policy Committee report from Bob Horne, John Berg, Phil Beach, and Harold Shannon. It's a policy that addresses how people apply for and utilize grants from the NPRHA. Horne stated that the group's work started from ideas in NPRHA Resolution 03-1 (*adopted by NPRHA Board at Billings, MT, in July 2003*) that describes not only membership categories and new dues rates but also identifies a new "1883 Society" life member category (which currently has 17 members). This level established the idea of encouraging members to raise funds beyond the operation of the society – a balance of funds usable for grants – to help support projects that preserve the NP and its memories in ways of physical artifacts and other endeavors of interest. We are also faced with the fact of an aging membership population – besides modeling, our membership numbers are not growing in the younger echelons. In general, the raising of funds beyond our existing reserves (which serve as a backstop for the general financial health of the organization) amplifies and enhances the work and interests of the organization and our NPRHA community. The grants policy, if funded, formalizes the reach of NPRHA interests.

Frissell asked about the types of funding sought – internal only or to include external sources as well? Horne saw it both ways – from both the membership and eventually including contributions from external entities. Frissell suggested that the fund be titled as associated with (or managed by) the NPRHA but not solely as its own fund, e.g., the Northern Pacific Railway Preservation Fund or something (assuming proper legal review). Beach noted that the fund already existed and that some monies were sitting there (in 2010 this was almost \$9,800) beyond past donation activities already acted upon from that pool. He also pointed out that there were existing collections of artifacts of interest to the NPRHA that we should set aside resources outside of the allocations for this grants fund proposal. Past work of the Board stipulated that grants activity be capped at \$2,000 to avoid rapid depletion of funds by many restoration painting projects for example. Beach recognized this proposal as an attempt to regularize the application process and management of the existing grants funds.

The Board discussed the draft document labeled – *Specific Decision Points for deliberation by the BOD on the NPRHA Grants Proposal* (in addition to general comments on content in the Proposal itself) – dated 06/21/11. This was conducted as a discussion and not ratification (this would happen after further review and discussion at a later date). Remarks to this document included:

1. Policy – noted existing recommendation currently - \$2,000 in any calendar year – policy adopted in past at 07/11/01 at Duluth MN
2. Amount – determine appropriate amount per calendar year – consider up to \$5,000 per year if deemed reasonable (split into at least two awards if not more)
3. Award timing – solicit as soon as possible following each convention (with awards made as soon as practically possible after deliberation and approval)

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4. Call for participation in grants process – announcements in the next *Mainstreeter* and postings on to the website at the same time (including digital application forms) – Frissell recommended appropriating moneies for advertising in professional journals and appropriate publications such as *Trains*
5. Quantity of data collected – maximum of 200 words per section recommended
6. Type of accepted submission – handwritten applications may be too difficult to accept (for legibility and ease of review) – Zidel asked if there was going to be minimum time requirements for acknowledging applications – Frissell alternatively suggested a fixed window for applications instead
7. Approval committee – board of at least 3 current or former members of the BOD to study requests and must include either membership by or consultation with the NPRHA Treasurer before formal proposal to the President and BOD for approval – Zidel suggested formal signature approval by the treasurer if nothing else (record of said approval) – Frissell suggested a strong conflict-of-interest screen for these positions and/or review – unless volume became too high, probably just the direct work of the BOD until so required – make sure that the process of application and review of proposals is quite visible
8. Evaluation of grants against each other – evaluation and merit criteria should be considered
9. Scoring systems for evaluation – Frissell noted that if the response is sufficient enough to understand the merits, a scoring system becomes unnecessary
10. How to announce grants program to applicants – working on this

Additional comments were invited. Frissell brought up some points to consider:

- For project applications, he stated a desire to understand the long-lasting material contribution to NP preservation, e.g., something painted to NP colors is later repainted to another road? Is that okay? Any proposals need to somehow answer how long investment will last of NP interest.
- Applications should assure public access to the benefit of the grant awarded.
- We need to develop enforceable state – projects that sit years away from using our money (Moclips)
- Consider the issue of contingent grants – do not send a check until they're ready to use (if it is a pledge) – apply a specific time frame (if match is not made in 5 years, then...)
- Quarterly reports are difficult for frequency to sustain – determine useful periods for information flow to determine progress (such as annual reporting if sufficient) – reporting is for our benefit, but determine right balance for our needs (such as reporting in *Mainstreeter*)

At the conclusion of the discussion, Dick expressed the BOD's appreciation of the work of the grants policy committee.

*Motion to accept committee report with amendments – Franz, Frissell 2nd, carried.*

### ***The Mainstreeter***

Ed Sherry stated his first goal was to get the publication back on a schedule – the first of each March, June, September, and December. After that, he was interested in addressing style and consistency in the publication. As mentioned in his convention report, he has got to shorten down the cycle to get things in.

The idea of an in-memorium column was discussed in concept. Taylor mentioned that in talking to Fujii, it was agreed that a mockup of ideas was in order to get a feel for how to present the information in a limited space. As yet, no one has stepped forward yet to act as a primary contact for collecting these notices. It was suggested that perhaps a self-addressed costcard back to us for each issue might be considered – we would need to research costs for this, too. Dick also noted that the postcard might carry other information – such as material donations to our archives. Others thought donations of any kind might also be suggested (funds included).

Sherry mentioned that the polybag idea for issues was under investigation, although still a couple of issues out for implementation. No commitments have been made to go forward with the polybags – still investigating it.

Sherry also noted he was interested in a photo-gallery column. It could be variable size (1-4 pages). Some might be like the current convention coverage. Others might be topic-specific with properly researched captions. There might even be “from our archives” selections showcased from time to time. Finally, the idea of a periodic grants column was mentioned as possible activity of interest in the NPRHA.

Dick mentioned that the editorial review list needed to be updated. It was also mentioned that at least one representative from each of the archive groups should be in the loop to review pertinent details and contributions

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from both archives. Horne also mentioned the many small, area-specific groups (e.g., Auburn groups, JSRH groups, MRL groups, etc) should be tapped for information about their activities and such.

Franz asked if the current *Mainstreeters* were in Adobe PDF format? This brought up the topic of ensuring a proper archiving of past PDFs used for production. It was thought that recovery of those past efforts was important. Future distribution of electronic versions would be a later topic for consideration. Sherry noted that the Pennsy group wanted \$350 for everything, other groups were going \$50 per decade. No thoughts were offered on how to even tackle pricing yet. Dick noted that a second complete set of *Mainstreeters* was received from a recently deceased member. This might be source material later. He also noted that other organizations he knew of were using their past issues for recruiting members (as free giveaways).

Vogel asked about press runs for printed issues and calendars – was it time to reduce numbers? Dick remembered that these were price break points (looking at 2010 costs). Beach noted that they were currently contracted for 2,500 units (2,000 to membership, 250 to hobbyshops, the rest back to the organization). Press runs, however, might turn out more since copies get ruined or there are overruns. He advised us not to estimate numbers too close to what we might need because we may fall short. The major cost of each run is the initial press setup. 2,500 should be about right. On the topic of calendars, Vogel recommended considering reducing the price of calendars after a certain date – perhaps after January 1st of the given year (so people could acquire additional copies for separation and framing of images). This would still leave seven months of full price sales and still balance out selling the rest for other purposes.

*Motion to accept the publication report – Franz, Vogel 2nd, carried.*

### Membership

Taylor presented the membership report for Dave Hillard who was not present. The membership numbers hover around 2,000. The numbers grow in small ways each year by the activities of Ken and Sally Vogel, Jerry Pickell, and others for their recruiting at regional swap meets and such. This was greatly appreciated by the organization. Frissell mentioned that the modeling days at the convention might also be good times for recruiting activities. Horne mentioned that banners had also been made for use at recruiting events. Please let Vogel know of other recruiting opportunities so that materials can be forwarded.

*Motion to accept the membership report – Franz, Dick 2nd, carried.*

### Modeling

Frissell presented Dean O'Neill's Modeling Committee Report. There were not a lot of new products this year, but the largest planned projects were:

- released NP Color Drift Control Cards
- agreed to move wood structure kit production from Bruce Barney to Blair Line
- assisted Intermountain with one NP-specific project last year

Horne commented his thanks to Bruce Barney for getting the kits off the ground. The Modeling Committee membership remained the same as last year. The committee was also looking for feedback – what was perceived as right, needing improvement, or even things not being done yet – please let O'Neill know.

Dick expressed concerns with kit pricing (low cost to membership? higher to be competitive?) which lead to a discussion about kits in general. Costs for production and transportation are not cheap. Vogel pointed out that the store manager must be the decider for these decisions after evaluating the costs of store merchandise. Questions were raised about sufficient visibility of items like the NP 57-foot mechanical reefers to other organizations and even other stores. Horne mentioned an original philosophy of ensuring reasonable, affordable pricing was a guideline.

Taylor noted that the Modeling Committee was not officially incorporated into the NPRHA bylaws and work needed to be done to formally ensure their definition and adoption.

*Motion to accept the modeling committee report – Dick, Vogel 2nd, carried.*

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### **Nominations**

This business was covered at the member meeting. Taylor noted the need to continue to look at new BOD members. She will have completed 10 years of service next year, so new membership in the BOD is needed.

### **NPRHA.org Website**

Taylor covered the website report submitted by Gary Tarbox. The upgrade of the site to SharePoint 2010 has turned out more involved than anticipated. 64-bit Windows Enterprise Server is required as a host OS and the downtime to achieve a server migration to this base would be excessive. Instead, the GNRHS and PNRA Boards have purchased a webserver and software to run the new SharePoint 2010 software on 64-bit Windows Enterprise Server. No data reposting or downtime will now be required to move to this new software base. This will help improve native searches on the site. Zidel asked about server backup and its status – he said he'd follow up with Tarbox about backup directly.

*Motion to accept the website report – Franz, Dick 2nd, carried.*

### **Old Business**

Vogel proposed that all the hobby shop sales go into the regular NPRHA (instead of company store's numbers) to tighten up the books based upon audit committee's recommendations. This will be something that the treasurer will follow up in his process of accounting. Zidel asked about proper taxation handling of these revenues into a non-profit. Vogel would look into it further.

### **New Business**

Vogel suggested the topic of purchasing a dedicated laptop for the company store. It was noted that Fujii had already donated a printer to help with its operations. The laptop would need to be sufficient for use with the Access database already created for that purpose.

*Motion to provide and buy a laptop for exclusive company store use – Vogel, Frissell 2nd, carried.*

It was suggested that the store manager recommend to the BOD an appropriate machine for vote and acquisition.

Vogel also brought up the topic of a fundraising chair for the group. That role would be very beneficial to future work.

Beach brought up topic of a By-Laws update and overhaul – they are in need of attention. For example, the finance committee definition is out of date. This work should be reviewed by a subcommittee of the BOD and then recommended to the membership for acceptance following appropriate protocols (proper announcements and voting). Taylor said that a review was in order. She appointed Bill Zidel to help head the review of the ByLaws per the audit committee's recommendations around a Finance Committee, procedures, and other issues of importance to the NPRHA (including updating and streamlining them).

### **NPRHA Officers**

Nominations were invited for the roles of President, Vice President, Secretary, and Treasurer. The following nominations were motioned and approved:

*2011-2012 NPRHA Board Officers:*

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

*Motion to adjourn – Franz, Dick 2nd, carried.*

Adjournment at 4:07 pm.



## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2011

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### **BOD eMail Action** – July 28, 2011

The Grants Committee through Bob Horne's work submitted updated grants applications, announcement of preservation grants, a revised grants funding proposal, and discussion points for review consideration. The board noted that discussion in Carlton required typewritten or digital form input for the applications (handwritten forms would be difficult to handle). Appreciation for Bob Horne's work was expressed by the BOD.

*Motion to accept the amended grants policy documents – Franz, Fujii 2nd, carried.*

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### **BOD eMail Action** – July 29, 2011

The BOD discussed the several alternatives for a 2013 convention. It is still to be determined if the event will be coordinated with other organizations such as the GN and Q groups (pending further discussions).

Billings, Montana, with a committee chair of Kyle Brehm, was identified as the final venue of choice. The tentative dates being investigated would be July 10-13, 2013. The BOD conveyed support to Brehm to begin talking to the Crowne Plaza Hotel in Billings as the convention venue.

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### **BOD eMail Action** – October 5, 2011

Gary Tarbox of the Pacific Northwest Railroad Archive (PNRA – pnrarchive.org) reported in their 2011-Q3 progress report that the Burien, WA archive building roof will need renovation to address leaking in its current condition. Due to the timing of a PNRA Capital Campaign proceeding in tandem with this new project, the PNRA is seeking to borrow funds to effect these roof repairs in the near term. The proposed terms were:

PNRA requests a loan from the NPRHA on the following terms:

- Requested principal of Seven Thousand Dollars (\$7,000)
- Interest accruing on the unpaid principal at the rate of SEVEN percent (7.0%) per annum
- Interest on this loan would be computed on a 365/365 simple interest basis
- Repayment of principal and interest in full not later than September 30, 2012

Treasurer Ken Vogel researched the legalities of doing this loan and found that with the payment going to the PNRA (and not an individual) and that the returns were modest (not unlike interest on a certificate of deposit), this would be within the rules for a 501(c)(3). It was also noted that the Boeing Modeler group (another 501(c)(3)) might also be making a similar pledge. The BOD reviewed the PNRA's recent financial statements and the discussion found this effort and terms to be worthy of NPRHA support.

*Motion to short-term lend the PNRA the amount of \$7,000 for archive roof repairs under the limit and interest terms described – Frissell, Vogel 2nd, Zidel recused, carried.*

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### **BOD eMail Action** – October 18, 2011

As part of the work from the NPRHA 2011 convention, a proposed amendment to the organization By-Laws recognizing the Modeling Committee as a formal group of the NPRHA was proposed for future ratification by the membership at the next By-Laws update cycle. After discussion and BOD input, the amendment proposal stood as:

#### **NPRHA Modeling Committee By-Law Proposal**

Section XX. Modeling Committee. The mission of the Modeling Committee is to support prototypically correct Northern Pacific Railway modeling through various efforts such as special runs with manufacturers, assisting manufacturers in their research, researching and producing our own original kits. The chairperson

## **NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2011**

of the Modeling Committee shall be appointed by the President, with the advice and consent of the Board of Directors.

The responsibilities of the Modeling Committee are as follows:

- Collaborate and contribute to the committee's efforts in the research and development of original kits.
- Collaborate and contribute to the committee's support of manufacturers in their development of NP models.
- Research and make recommendations for new NPRHA modeling offerings and materials that are prototypical to NP practices such as, however not limited to, paint, decals, parts, literature.
- Engage with NPRHA members to learn what the membership would like to see produced.
- Develop pricing, inventory, tracking and production templates for any modeling project.
- Support modeling efforts associated with NPRHA conventions.

*Motion to formalize the work of the Modeling Committee by the proposed By-Law amendment for membership approval – Zidel, Franz 2nd, Dick recused, carried.*

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*Respectfully submitted December 28, 2011 – John Fujii, Secretary*

Date: 7-11-12  
To: Jan and BOD  
Re: Company Store

The ordering has been ongoing for the most part during the last year. There have been a few items where past practices have been to use personal credit cards and be reimbursed for order. As I have come upon those, we (Ken Vogel and I) have asked companies to allow us to pay within 30 days and after we receive our orders. This seems to be working well. I do have another company with the credit card payment policy to contact for an order but I may leave that for the new Company Store Manager. When I order something for the store, I usually try to copy Gary Tarbox and Ken Vogel. When Gary receives the items, he sends an e-mail to Ken and to myself. This has worked fairly well.

There are a few books that are no longer available and will not be reprinted.

N6054 Orphan Road is now out of print.

N6056 BN Cabooses 1970-1995 has very few copies now available - we will have 2 of them at convention and the price is quite a bit lower.

Also, as some of you may know already, the cost to purchase the North Coast Limited 3 - DVD set has gone up. Retail price is now \$75.00.

New item debuting at the Butte Convention is: N3128, NP 1.5 Store Section House. We purchased 48 of these to bring to convention at \$24.50 each for a total of \$1176.

We have also worked during this year to try to get Al Zimmerman's t-shirts sold on-line from the store website but have been unsuccessful. We had also hoped to have a convention logo t-shirt for this year's convention but did not receive a response from Al.

Dave and I have the inventory for the convention and will bring it to Butte and deliver what is left to the PNRA in Burien on July 23, 2012. In the Company Store box, we do have two credit card slide machines and a cash box, as well as the printer purchased last year. These will go to Burien as well. We will also deliver the set of table legs for the modeling folks to Burien (these came from Burien); and Dave and I will search hi and low for the other set in our garage. We thought it might be good to send that set to Dean O'Neill to hang on to but if someone has a different idea, please let me know.

FYI - I will be stepping down as store manager as soon as the convention in Butte is over. It was temporary to start with, and I find that I just don't have the time to do it justice at this point.

Jeanne Franz

## NPRHA Company Store Sales History: Online, Convention Virtual

Product Category	Sales Source	Item Quantity	2011-12 Sales	2011-12 Percent	2011-12 Percent	2010-11 Percent	2009-10 Percent	2008-09 Percent	2007-08 Percent
Clothing	Online	25	\$396.85	2.3%	3.0%	3.6%	3.9%	2.5%	3.3%
	Convention	17	\$247.84	5.9%					
Modeling	Online	276	\$7,390.41	43.4%	45.2%	38.0%	45.0%	49.3%	37.6%
	Convention	87	\$2,211.84	52.3%					
Specialties	Online	122	\$888.24	5.2%	4.9%	3.0%	3.8%	1.9%	1.1%
	Convention	32	\$151.34	3.6%					
Mainstreeters	Online	301	\$1,824.50	10.7%	8.6%	8.6%	10.9%	7.3%	11.2%
	Convention			0.0%					
Books	Online	90	\$3,920.28	23.0%	23.2%	31.3%	20.2%	26.4%	27.5%
	Convention	33	\$1,017.16	24.1%					
CD & DVDs	Online	74	\$2,189.71	12.9%	13.0%	13.4%	15.9%	12.6%	19.3%
	Convention	25	\$581.09	13.7%					
Calendars	Online	102	\$421.52	2.5%	2.1%	2.1%	1.9%		
	Convention	5	\$17.48	0.4%					
Totals	Online	990	\$17,031.51	80.1%					
	Convention	199	\$4,226.75	19.9%					
2011-12 Totals	Product Sales	1,189	\$21,258.26	100.0%	100.0%				
2010-11 Totals	Product Sales	1,112	\$20,740.99			100.0%			
2009-10 Totals	Product Sales	1,303	\$25,950.14				100.0%		
2008-09 Totals	Product Sales	1,976	\$44,289.50					100.0%	
2007-08 Totals	Product Sales	1,877	\$33,358.12						100.0%
<b>Virtual Card Sales</b>									
2011-12 Membshp	Online	348	\$12,973.00						
2011-12 Conv Regs	Online	44	\$7,862.00						
2011-12 Card Totals	Online	392	\$20,835.00						
2010-11 Card Totals	Online	354	\$18,678.00						
2009-10 Card Totals	Online	473	\$46,427.50						
2008-09 Card Totals	Online	357	\$20,002.00						
2007-08 Card Totals	Online	304	\$16,888.00						



## Northern Pacific Railway Historical Association

## Profit &amp; Loss

January through December 2011

	Jan - Dec 11	Jan - Dec 10
<b>Income</b>		
Convention Excursion Fees	0.00	31,350.00
Convention Raffle Sales	2,156.00	3,285.00
Convention Registration & Fees	11,520.00	23,668.00
Donations - Restricted		
Fredrickson Collection	500.00	0.00
Jackson Street Roundhouse	500.00	170.00
Donations - Restricted - Other	70.00	37.50
<b>Total Donations - Restricted</b>	<b>1,070.00</b>	<b>207.50</b>
Donations - Unrestricted	6,533.84	4,399.93
Hobby Shop Sales	4,507.25	0.00
Investment Income	1,512.77	2,050.34
Membership Dues	55,853.50	59,988.50
Returned Check Service Charges	0.00	117.00
Swap Meet Sales	134.42	0.00
<b>Total Income</b>	<b>83,287.78</b>	<b>125,066.27</b>
<b>Expense</b>		
Ad Layout	0.00	590.75
Administrative Expenses		
Board Expenses	0.00	65.00
Membership Expenses	977.56	956.65
President Expenses	0.00	67.02
Secretary Expenses	0.00	98.71
Treasurer Expenses	757.78	744.85
Administrative Expenses - Ot...	581.79	106.93
<b>Total Administrative Expenses</b>	<b>2,317.13</b>	<b>2,039.16</b>
Audit Work Related	16.17	393.91
Bank Fees	223.50	624.66
Business License & Permits	30.00	0.00
Convention Expenses		
Excursion	0.00	21,962.20
Hotel & Banquet	7,122.75	23,301.95
Misc Convention	528.44	0.00
Raffle	60.59	909.01
Convention Expenses - Other	4,990.70	4,000.92
<b>Total Convention Expenses</b>	<b>12,702.48</b>	<b>50,174.08</b>
Depreciation Expense	480.00	708.99
Donation	0.00	4,861.69
Internet Webpage	1,214.40	1,294.40
Jackson Street Archives	2,824.43	4,137.61
Legal & Accounting Fees	500.00	1,802.00
Membership Recruit & Retention	3,411.59	2,495.38
Miscellaneous Expenses	0.88	0.00
Model Committee	0.00	0.00
PNRA	2,748.94	11,818.60
Post Office Box Rental	176.00	176.00
Publications		
Calendar Printing & Layout	8,872.50	6,856.20
Editor Expenses	0.00	189.00
Mainstreeter Printing & Layout	22,611.00	16,537.99
Postage, Mainstreeter	6,924.51	5,718.24
<b>Total Publications</b>	<b>38,408.01</b>	<b>29,301.43</b>

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04/14/12

Accrual Basis

## Northern Pacific Railway Historical Association

### Profit & Loss

January through December 2011

	Jan - Dec 11	Jan - Dec 10
<b>Research</b>		
<b>Website</b>	377.00	112.50
<b>Research - Other</b>	0.00	795.00
<b>Total Research</b>	377.00	907.50
<b>Special Projects</b>	0.00	-1,000.00
<b>Storage Unit Rental</b>	0.00	202.86
<b>USPS</b>	0.00	93.73
<b>Total Expense</b>	65,430.53	110,622.75
<b>Net Income</b>	<u>17,857.25</u>	<u>14,443.52</u>

**Northern Pacific Railway Historical Association**  
**Balance Sheet**  
 As of December 31, 2011

	Dec 31, 11	Dec 31, 10
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
CD #3 Twin Star Credit Union	11,183.27	11,170.51
CD#1, Fargo State Bank	12,057.67	11,763.58
CD#2, Fargo State Bank	12,683.65	12,195.82
CD#5 Twin Star Credit Union	27,062.56	27,001.75
CD#6, Fargo State Bank	16,698.14	16,335.14
Checking, Operating	75,506.53	62,353.60
Checking, Postage	3,676.59	3,101.10
Convention, Wells Fargo	0.00	6,314.05
Petty Cash - Membership Mai...	150.00	150.00
Savings, Wells Fargo	17,919.02	17,909.60
Timberland Bank CD	19,508.11	19,243.84
Twin Star Credit Union	20,556.02	20,535.43
<b>Total Checking/Savings</b>	<b>217,001.56</b>	<b>208,074.42</b>
<b>Accounts Receivable</b>		
Due From Company Store	-100.00	0.00
<b>Total Accounts Receivable</b>	<b>-100.00</b>	<b>0.00</b>
<b>Other Current Assets</b>		
Notes Receivable	7,000.00	0.00
<b>Total Other Current Assets</b>	<b>7,000.00</b>	<b>0.00</b>
<b>Total Current Assets</b>	<b>223,901.56</b>	<b>208,074.42</b>
<b>Fixed Assets</b>		
<b>Computer Server &amp; Software</b>		
Cost	2,388.99	2,388.99
Less Accumulated Depreciati...	-1,188.99	-708.99
<b>Total Computer Server &amp; Softw...</b>	<b>1,200.00</b>	<b>1,680.00</b>
<b>Total Fixed Assets</b>	<b>1,200.00</b>	<b>1,680.00</b>
<b>TOTAL ASSETS</b>	<b>225,101.56</b>	<b>209,754.42</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Other Current Liabilities</b>		
Due To Company Store	0.00	2,510.11
<b>Total Other Current Liabilities</b>	<b>0.00</b>	<b>2,510.11</b>
<b>Total Current Liabilities</b>	<b>0.00</b>	<b>2,510.11</b>
<b>Total Liabilities</b>	<b>0.00</b>	<b>2,510.11</b>
<b>Equity</b>		
Members' Equity	207,244.31	192,800.79
Net Income	17,857.25	14,443.52
<b>Total Equity</b>	<b>225,101.56</b>	<b>207,244.31</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>225,101.56</b>	<b>209,754.42</b>



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04/14/12  
Accrual Basis

**NPRHA Company Store**  
**Profit & Loss**  
January through December 2011

	<u>Jan - Dec 11</u>	<u>Jan - Dec 10</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
46000 · Merchandise Sales	21,229.88	24,769.27
46500 · Hobby Shop Sales	97.00	5,575.95
46700 · Shipping & Handling	2,786.84	2,868.00
<b>Total Income</b>	<u>24,113.72</u>	<u>33,213.22</u>
<b>Cost of Goods Sold</b>		
50000 · Cost of Goods Sold	10,175.76	15,189.25
<b>Total COGS</b>	<u>10,175.76</u>	<u>15,189.25</u>
<b>Gross Profit</b>	13,937.96	18,023.97
<b>Expense</b>		
60000 · Advertising and Promotion	1,778.89	1,995.88
60100 · Refunds	19.95	36.45
60400 · Bank Service Charges	29.00	67.10
60600 · Bankcard Fees	1,084.13	951.75
60800 · Bankcard Discount Fee	1,307.28	2,472.28
61000 · Business Licenses and Permits	10.00	10.00
61300 · Cash Over and Short	67.13	-20.52
61500 · Convention Expenses	1,800.00	0.00
61800 · Postage & Shipping	2,420.41	2,638.76
64900 · Office Supplies Expense	31.19	0.00
65100 · Fulfillment Monthly Service Fee	2,604.80	2,460.00
65200 · Fulfillment Insurance	264.00	444.00
65300 · Fulfillment Merchandise Orders	1,479.50	1,446.50
65400 · Fulfillment Virtual Sales	301.00	566.00
65500 · Storage Unit	0.00	196.95
66900 · Reconciliation Discrepancies	0.00	0.00
67000 · Sales Tax Expense	0.00	48.61
69000 · Other Expense	366.37	437.84
<b>Total Expense</b>	<u>13,563.65</u>	<u>13,751.60</u>
<b>Net Ordinary Income</b>	374.31	4,272.37
<b>Other Income/Expense</b>		
<b>Other Income</b>		
70200 · Interest Income	26.02	27.64
<b>Total Other Income</b>	<u>26.02</u>	<u>27.64</u>
<b>Other Expense</b>		
61600 · Modeling Committee Expenses	0.00	0.00
<b>Total Other Expense</b>	<u>0.00</u>	<u>0.00</u>
<b>Net Other Income</b>	26.02	27.64
<b>Net Income</b>	<u><u>400.33</u></u>	<u><u>4,300.01</u></u>

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04/14/12

Accrual Basis

**NPRHA Company Store**  
**Balance Sheet**  
**As of December 31, 2011**

	<u>Dec 31, 11</u>	<u>Dec 31, 10</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
10000 · CoStore Checking	18,307.03	23,012.44
10200 · CoStore Savings	18,855.99	18,829.97
<b>Total Checking/Savings</b>	<u>37,163.02</u>	<u>41,842.41</u>
<b>Accounts Receivable</b>		
11000 · Accounts Receivable	346.34	326.43
11100 · Due From NPRHA	0.00	2,388.99
<b>Total Accounts Receivable</b>	<u>346.34</u>	<u>2,715.42</u>
<b>Other Current Assets</b>		
12100 · Inventory Asset	34,572.23	31,256.37
12200 · Inventory In Progress	165.53	0.00
12300 · Swap Meet Inventory	663.39	422.69
<b>Total Other Current Assets</b>	<u>35,401.15</u>	<u>31,679.06</u>
<b>Total Current Assets</b>	<u>72,910.51</u>	<u>76,236.89</u>
<b>TOTAL ASSETS</b>	<u><b>72,910.51</b></u>	<u><b>76,236.89</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
20000 · Accounts Payable	0.00	4,773.88
<b>Total Accounts Payable</b>	<u>0.00</u>	<u>4,773.88</u>
<b>Other Current Liabilities</b>		
20200 · Convention Fees Due	0.00	-743.00
20300 · Memberships Due	-100.00	581.00
20400 · Preservation Fund Due	0.00	40.00
25500 · Sales Tax Payable	163.48	-861.69
<b>Total Other Current Liabilities</b>	<u>63.48</u>	<u>-983.69</u>
<b>Total Current Liabilities</b>	<u>63.48</u>	<u>3,790.19</u>
<b>Total Liabilities</b>	63.48	3,790.19
<b>Equity</b>		
32000 · NPRHA Equity	72,446.70	68,146.69
Net Income	400.33	4,300.01
<b>Total Equity</b>	<u>72,847.03</u>	<u>72,446.70</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>72,910.51</b></u>	<u><b>76,236.89</b></u>



# NORTHERN PACIFIC RAILWAY

HISTORICAL ASSOCIATION

MAIN STREET OF THE NORTHWEST

## MAINSTREETER & CALENDAR COSTS

**YEAR 2011**

<b>Issue 30-1</b> <b>SPRING</b>	Printing	\$5,729.38	2500 Units	Est. Membership 2000
	Postage	<u>\$1,658.15</u>		
		\$7,387.53	Cost per unit \$2.95	\$3.69
<b>Issue 30-2</b> <b>SUMMER</b>	Printing	\$5,471.24	2500 Units	
	Postage	<u>\$2,018.20</u>		
		\$7,489.44	Cost per unit \$2.99	\$3.74
<b>Issue 30-3</b> <b>FALL</b>	Printing	\$4,675.12	2500 Units	
	Postage	<u>\$1,626.95</u>		
		\$6,302.07	Cost per unit \$2.52	\$3.15
<b>Issue 30-4</b> <b>WINTER</b>	Printing	\$5,691.24	2500 Units	
	Postage	<u>\$1,646.76</u>		
		\$7,338.00	Cost per unit \$2.93	\$3.66
<b>2012 CALENDAR</b>	Printing	\$5,799.00	3100 Units	
	Design	\$3,532.50		
	Envelopes			
	Incidental cost	_____		
		\$9,331.50	Cost per unit \$3.01	\$4.66

**TOTAL COST OF MAINSTREETERS AND CALENDAR PER UNIT FOR YEAR 2011 = \$18.90**

**ESTIMATED MEMBERSHIP 2000 = \$18.92**

The Northern Pacific Railway Historical Association “NPRHA” will award a limited number of grants in the areas of railway history and the preservation of railway heritage including structures, publications, research and educational projects. Grant requests for basic software and computer equipment are discouraged. The maximum individual award will be \$2,500. Applicants are restricted to one application annually and may be either individuals or organizations knowledgeable in Northern Pacific Railway (“NPR”) history and operations. Consideration may be given to material relating to historical affiliates of the NPR.

NPRHA grant awards (“Grants”) will be based upon the following criteria:

- The proposed project contributes to the preservation of, increases the general knowledge and understanding of, or promotes public interest in NPR history.
- The proposed project does not duplicate work already underway or completed elsewhere.
- Grants are made only for specific work not yet undertaken at the time of the award.
- The applicant is able to complete the scope of the project as proposed within a reasonable time. Urgency of the project, if any, should be clearly stated.
- The applicant has a plan to provide matching contributions of at least 50 percent of the total cost of the project. Proof of pledges, etc. should be included.
- Routine maintenance of already-restored assets is not eligible for NPRHA funding. Also not eligible for funding is maintenance or repair of an already-restored artifact that has deteriorated due to wear and tear through use, has not been adequately protected, or has reached the end of its service life. Any proposal for restoration should be accompanied by a statement of plans to maintain the restored item or building.
- Applicants must be public bodies, 501(c)(3) entities, or private individuals, but not for-profit businesses.
- Membership in the NPRHA or endorsement by (a) current NPRHA member(s) are not absolute requirements, but will be considered as a tie-breaker between two proposals of otherwise equal value.
- A previous award of an NPRHA Grant to the same applicant is not a consideration. However, any individual or organization which has received a Grant in two consecutive years is disqualified from applying for a period of one year following the second award.

Grant requests **MUST** be submitted using the six-page NPRHA Expanded Application Form. Failure to do so **WILL DISQUALIFY** the application. The application format and process is available on our website ([www.nprha.org](http://www.nprha.org)) and, for the present, must be downloaded and completed by mail. In the future, we may permit submissions directly on the website, which will then be acknowledged promptly by return email.

Please condense the information regarding your project. It is essential that all pertinent information be included on the application form within the spaces on the pages provided.

Applicants for and Recipients of Grants are required to adhere to the Terms and Conditions enclosed with this Announcement.

Applications for Grants to be made in any Calendar Year must be received by the NPRHA before the end of October in the prior Calendar Year. If deemed appropriate or necessary, the person listed on Page 1 of the Application as Preparer may subsequently be asked, by the Grants Review Committee, for additional information regarding the Application. Grant decisions will be completed by year-end, and all Applicants will be advised of the final decisions by January 15.

## Terms and Conditions

All applications will be reviewed by a committee appointed by the President of the NPRHA. The decision to make an award will be made by a vote of the NPRHA Board of Directors, and shall be considered final. Grant recipients shall sign a letter of agreement consenting to the Terms and Conditions listed herein.

Recipient shall secure matching contributions of at least 50% of the total cost of the project, which may consist of any or all of:

- Contribution of the recipient's funds;
- Other grants and contributions raised by the recipient;
- Grants and contributions raised by other organizations with which the recipient has a formal cooperation; and
- Volunteer labor (valued at \$10 per hour) contributed to the project.

The NPRHA has no requirement that this Grant be repaid. However, recipients who receive revenue as a result of a project funded by an NPRHA grant are expected to return to NPRHA a significant portion of the grant received. Recipients who successfully complete a project which results in monetary improvement to the Grantee's net worth are expected to make a donation to the NPRHA Grants Program equivalent to 10% of that improvement, so that the NPRHA can fund additional worthwhile projects.

The one exception to the above is that, if the project is terminated for any reason prior to its completion, the NPRHA shall be notified immediately, and any and all unused Grant funds shall be returned to the NPRHA, along with a full accounting of the funds already expended.

Recipient should provide to the NPRHA a six-month Progress Summary by July 1 at the latest, including:

- Description of progress made;
- Photographs of work in progress;
- Accounting of funds received and disbursed; and
- Accounting of volunteer labor expended.

This will permit us to report progress to our membership at our annual Convention in mid-July.

On completion of the project, recipients must provide the NPRHA with a Final Report before January 1, including:

- Description of work completed;
- Photographs of work completed;
- Accounting of funds received and disbursed, including copies of receipts and evidence of expenditures; and
- Accounting of volunteer labor expended.

No disbursement of a subsequent Grant will be made until a Final Report has been made and accepted.

Recipients acknowledge the right of representatives of the NPRHA to make on-site inspections of the work in progress and upon completion.

Failure of the recipient to use the Grant funds for the purpose requested, or within one year of the schedule proposed, without the written prior approval of the NPRHA, shall constitute default. In the event of default, all unused grant funds shall be returned to the NPRHA immediately, and the recipient shall be barred from consideration for future grants under this program.

Grantees agree to acknowledge and list NPRHA financial support by conspicuously posting in exhibits, by mention in publications and by inclusion in promotional materials. Recipients further acknowledge the right of NPRHA to publicize its support of the project and to use project photographs, as available.

## Instructions for the Proper Completion of the Application Form

**NOTE:** Applicants are restricted to one application for one project annually, and no more than two in two consecutive years.

1. Grant requests **MUST** be submitted using the on-line NPRHA Application Form. Failure to do so will **DISQUALIFY** the application. No alteration may be made to the format of the application form. A condensed copy of the Application Form is attached below for your convenience in determining what information will be required on the Application.

2. Applications must be submitted on the Expanded Form provided on the website, in 12-point type, within the space provided in each entry section, and with a Maximum of Six Pages.

3. Parts A through O on the application **MUST** be answered - Incomplete applications **WILL BE DISQUALIFIED**.

4. The information regarding your project must be condensed so that all pertinent information is included on the six-page application form within the spaces provided, except for any additional information requested in Parts D, F, K and N, which may each be placed on a separate single page.

5. Photograph(s) of the artifact(s) that are the subject of the application must be attached. If photos are not included, an explanation for their absence must be provided. Other pictures and diagrams related to the proposed project may be attached. Concise descriptive literature about major items to be purchased should also be attached. Videos, booklets or other similar material should not be sent.

6. Adherence to the policies stated in the Grants Announcement (above) is required.

7. All grant applications and supporting materials including photographs must be received at the following address by 11:59 p.m. PST, October 31. **NO EXCEPTIONS WILL BE MADE!**

Send your Grant Application package to the following address:

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8. Be sure to include Contact Information for a member of your organization who can provide additional information, if it is found necessary.

All applications will be evaluated by the Grants Review Committee, whose members reside throughout the United States of America. Their selection Recommendation(s) will be made to the NPRHA Board of Directors. Grant decisions will be announced on the website ([www.nprha.org](http://www.nprha.org)) by January 15, with letters being mailed to each applicant from the previous year.

**IMPORTANT NOTE: This is a Condensed Version of the Application Form  
Use it for Information Purposes ONLY.**

The formal Application must be Submitted on the Expanded Version, and must NOT exceed six pages in length, except for the Appendices, as noted in Sections D, K, and M. Reminder: Completed Applications MUST be received by the NPRHA before November 1.

Name of Applying Organization (or Individual):

Address:

Website:

Employer Identification Number (EIN) – Required if a 501 (c)(3) organization:

Name of application preparer:

Title:

NPRHA member (Yes / No):

Individual or Organization:

Day time telephone:

Evening Telephone:

E-mail address:

Fax number:

Grant amount requested (not to exceed \$2,500): \$

A. Purpose for which funds are requested:

B. Provide a detailed description of the project:

In the description, provide a detailed history of the item(s) or artifact(s) which are the subject of this proposal. The applicant should specify his/its ownership status with regard to any building or artifact, (rolling stock or other equipment) for which a grant is being sought. If this project is part of a larger project, briefly describe the scope of the larger project and the place of this project within it

C. Provide a brief description of how this project contributes to Northern Pacific History:

D. Cost and Budget Projections:

Submit the following information, appending separate lists of the cost of materials, cost of paid labor and the value of hours of volunteer labor.

Indicate projected specific use of NPRHA Grant funds in dollars totaling the amount of the grant being sought. If this project is part of a larger project, show cost and budget for this project, as well as a general budget for the larger project. (As requests for basic computer equipment and software are discouraged, applicants are urged to seek donations of hardware and software. If the cost of computer equipment is requested from the NPRHA, the applicant must specify who will have custody and who will be the ultimate owner.)

E. Schedule – Provide a Summary of significant project timeline(s):

F. List all grants received by applying organization within the last two years:  
Include dollar amounts, grantors and projects.

G. Amount of funds currently raised for this project (exclusive of volunteer labor):

H. Amount of additional funds to be raised to complete this project (other than from NPRHA), indicating how the applicant plans to accomplish raising the funds:

I. Matching Contributions: Specify the ways in which matching funds are to be made (see Announcement of Grants), and verify that such contributions will constitute at least 50% of the cost of the project.

J. Will the requested NPRHA grant result in the receipt of matching funds? If so, from what source and how much?

K. Describe the applying organization's membership, its size and geographic area served:

1. Indicate how many members are active.
2. Indicate how many people are expected to work on this project.
3. Estimate how many NPRHA members are expected to work on this project.

L. Provide a detailed summary of all the applying organization's revenues and expenditures, by category, for each of the past two years:

This financial summary should clearly explain the organization's ability to maintain any restored asset in good condition. If necessary, attach financial statements as an appendix.

M. Is this project expected to generate revenue, and if so, approximately how much, annually?

N. Federal Tax Status:

1. Is the Applicant a Not-For-Profit organization?  YES  NO
2. Does the organization currently have Federal Tax Exemption Status under Section 501(c) (3) of the Internal Revenue Code?  YES  NO. If YES, submit a copy of the Determination Letter as an appendix.

O. Provide a description of your plan for public acknowledgment of NPRHA financial support of this project:

**REMINDER: Completed Applications Must Be Received Not Later Than October 31 of this year.**

• Name of person preparing application:

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• Title of person preparing application:

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• Application filing date:

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\*\*\*\*\* The following is For Use by NPRHA Only\*\*\*\*\*

A completed NPRHA Grant Application was received on: \_\_\_\_\_

Received by: \_\_\_\_\_

Name & Signature of person receiving application

# NPRHA

THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

## NPRHA PRESERVATION GRANT APPLICATION

(Use this form to complete your Application for an NPRHA Preservation Grant)

Name of Applying Organization (or Individual): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Website: \_\_\_\_\_

Employer Identification Number (EIN) – **Required only** if a 501 (c)(3) organization: \_\_\_\_\_

Name of application preparer: \_\_\_\_\_ Title: \_\_\_\_\_

NPRHA member (Yes/No)? Applicant: \_\_\_\_\_ Organization: \_\_\_\_\_

Daytime telephone: ( ) \_\_\_\_\_ Evening Telephone: ( ) \_\_\_\_\_

Fax number: ( ) \_\_\_\_\_ E-mail address: \_\_\_\_\_

Grant amount requested (not to exceed \$2,500): \$ \_\_\_\_\_

**Note: Use 12-point type for all entries and condense your information to fit within the space provided**

A. Purpose for which funds are requested (4 lines):

B. Provide a detailed description of the project (13 lines): In the description, provide a detailed history of the item(s) or artifact(s) which are the subject of this proposal. The applicant should specify his/its ownership status with regard to any building or artifact, (rolling stock or other equipment) for which a grant is being sought. If this project is part of a larger project, briefly describe the scope of the larger project and the place of this project within it.

# NPRHA

## THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

- C. Provide a brief description of how this project will contribute to NPR history (6 lines):
- D. Cost and Budget Projections- Submit the following:
1. Attach **as an Appendix** separate lists of the cost of materials, cost of paid labor and the value of hours of volunteer labor.
  2. Indicate projected **specific use** of NPRHA Grant funds in dollars totalling the amount of the grant being sought (4 lines):
  
  3. If this project is part of a larger project, show cost and budget for this project, as well as a general budget for the larger project (15 lines):  
Important Note: As requests for basic computer equipment and software are discouraged, applicants are urged to seek donations of hardware and software elsewhere. If the cost of computer equipment **is** requested from the NPRHA, the applicant must specify who will have custody, and who will be the ultimate owner.
- E. Schedule (Summary of significant project timelines (8 lines )):

# NPRHA

## THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

- F. List all grants received by applying organization within the last two years, including dollar amounts, grantors and projects (14 lines):

Note: If the applying organization previously received a Grant from the NPRHA, attach a statement indicating work undertaken on that project, specific use of NPRHA funds, acknowledgment to NPRHA for the grant, and whether a report was submitted.

- G. Amount of funds currently raised for this project, exclusive of volunteer labor (11 lines):

- H. Amount of additional funds to be raised to complete this project (other than from NPRHA), indicating how the applicant plans to accomplish raising the funds (13 lines):

# NPRHA

## THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

I. Matching Contributions:

1. Specify the ways in which matching funds are to be made (see Grants Announcement Document), and verify that such contributions will constitute **at least 50%** of the cost of the project. (10 lines)

2. Will the requested NPRHA grant **result** in the receipt of matching funds? If so, from what source and how much? (7 lines)

J. Describe the applying organization's membership, its size and geographic area served:

1. Indicate how many members are active (4 lines).

2. Indicate how many NPRHA members are expected to work on this project (4 lines).

3. If the applying organization or group is not an NPRHA member group, indicate if it has a close affiliation with any NPRHA member group, and estimate how many of its members are also NPRHA members (9 lines).

# NPRHA

## THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

K. Assurance of continuing care and maintenance of the Project to be Funded (25 lines):

Provide a detailed summary of all the applying organization's revenues and expenditures, by category, for each of the past two years. This financial information should clearly show the ability to maintain any restored asset in good condition. If an Attachment, limit it to one page.

L. Is this project expected to generate revenue? If so, approximately how much, annually? (7 lines):

M. Federal Tax Status:

1. Is the Applicant a Not-For-Profit organization?       YES       NO

2. Does the organization currently have Federal Tax Exemption Status under Section 501(c)(3) of the Internal Revenue Code?       YES       NO

If YES, **append** documentation of same.

# NPRHA

## THE GRANTS PROGRAM OF THE NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

N. Provide a description of your plan for public acknowledgment of NPRHA financial support of this project (24 lines):

**REMINDER: COMPLETED APPLICATIONS MUST BE RECEIVED NOT LATER THAN OCTOBER 31**

Name of person preparing application: \_\_\_\_\_

Title of person preparing application: \_\_\_\_\_

Application filing date: \_\_\_\_\_

**\*\*\*\*\* The Space Below is For Use by NPRHA Only \*\*\*\*\***

A completed NPRHA Grant Application was received on: \_\_\_\_\_

Date

Received by: \_\_\_\_\_

Name / Signature of person receiving

# THE CASE FOR NPRHA PRESERVATION GRANTS

Suggested Substitution for draft of 062812 of

The Case for Preservation Grants

## ARTICLES OF INCORPORATION

The first four Articles of Incorporation of the NPRHA, dated June 30, 1986, are as follows:

“Article I. Name: This Corporation shall be called the Northern Pacific Railway Historical Association.

“Article II. Purpose: The purposes of this Corporation are to collect, preserve and disseminate information about the Northern Pacific Railway, its predecessors, and its related companies, to foster the preservation and protection of historical materials and artifacts of the Northern Pacific Railway, to promote fellowship among persons interested in the history and heritage of the Northern Pacific Railway, and to acquire, own and hold property, real or personal, conveyed, transferred, given, devised, bequeathed, or leased to or otherwise acquired, by the Corporation to aid in the advancement and promotion of the purposes for which the Corporation is established.”

“Article III. Pecuniary Gain: The Corporation does not, and shall not, afford pecuniary gain, incidentally or otherwise, to its members.

“Article IV. Duration: The period of duration of the Corporation shall be perpetual.”

Note: The balance of the 10 Articles constitute ‘organizational boilerplate’, and are judged not to be germane to the purpose of this document.

In a subsequent action, on August 23, 1991, the Corporation was conferred, by the U.S. Internal Revenue Service, with Federal status as a “Non-Profit Organization”, under IRS Code 501 (c)(3).

Further, it is customary for each such “Not-for-Profit Organization” (NPO) to prepare a public statement of its “Charitable Mission”, which is embodied in Article II, above.

Therefore, stated succinctly, the Charitable Mission of the Northern Pacific Railway Historical Association is to Preserve the Heritage of the NPR.

P F Beach Suggested Changes, 7/09/12



# THE CASE FOR NPRHA PRESERVATION GRANTS

## PREAMBLE

In addition to our two Archives, East and West, the other major opportunity we presently have lies in assisting community groups with their efforts to preserve various NPR structures along the ROW. ~~To that end, we should set aside a fund from which we could draw for each of those purposes.~~

The NPRHA recognizes that, as time moves along, more and more of those perishable relics of the NPR are, in fact, perishing to time and weather (and a lack of funding for repairs). We are one of a few such organizations, like local civic groups, who are interested in preserving examples of the past glories of Northern Pacific Railroading. With a large member population, spread across the route of the NPR and well beyond, we are in a unique position to assist with those Preservation efforts. In fact, we have several Members who are and have been active in the preservation of 'things NP'. Hence, we have recognized a need for us to consider the establishment of a Preservation Fund, to enable us to assist those who are willing to work on such NPR preservation projects as we deem to be justified.

Recognizing that **there are only a few years left**, in most cases, before presently viable structures deteriorate to a point where restoration is no longer practical, this document is intended to be used to formally *recognize the NPRHA* ~~set aside within the NPRHA,~~ a Preservation Fund *as a source* which can be accumulated, maintained, and disbursed to worthy organizations capable of successfully completing such projects. ~~It would define sources of Funding within the Association, as well as ways in which we might raise additional funding ourselves, or in cooperation with other organizations.~~ *The Preservation Fund accumulates funds which members designate for preservation in their membership renewals and funds derived from special appeals to the members. It could also receive \$2000 of the \$2500 that paid into the 1883 Society.*

We might also forward to the respective Archives any information on NPR artifacts that comes to our attention.

There is another, insidious, factor that also bears on this subject – the fact is that we are all aging and, sooner or later, if we don't utilize every means at our disposal to accrue new members by piquing their interest in some phase of our work, we'll begin or continue to shrink in Membership. We should use our resources wisely, both financial and human.

# THE CASE FOR NPRHA PRESERVATION GRANTS

## FUNDING SOURCES FOR GRANTS

Initially, we have limited our Preservation largess to one or two \$2,500 Grants per Calendar Year. It may be that there are many more worthwhile efforts being made, or which could be made with our support each year. *In addition to the existing Preservation Fund, funds can also be drawn from* Presently, our Preservation funds exist largely within the General Funds of the NPRHA. As one of the major expenditures, it might be proper that all funds received which have been designated for Preservation be recorded as such, and listed separately from all other funds of the organization, most of which are expended solely for the operation of the organization, for the benefits of the Membership. At a minimum, the BOD should annually budget an amount for Preservation, including the Grants.

The NPRHA BOD should move promptly to identify those funds which they are willing to dedicate to Preservation, with separate reporting established in the Financial Records of the Association. The NPRHA's Treasurer and Internal Auditor might also review closely funds that have accumulated in the treasury over time from various sources, to judge those which might be logically and legitimately be sequestered for this purpose, so as to establish a continuing source of funding. It would help to define sources of Funding within the Association, as well as ways in which w *We* might raise additional funding ourselves, or in cooperation with other organizations. *We should more actively seek to encourage members to include funds designated for preservation when they renew their membership and to enroll in The 1883 Society.*

For example, we might routinely ask our annual dues-paying members to 'include a nominal additional amount, to be earmarked for Preservation', or suggest that they 'upgrade' their Membership level, with the additional amount (over their basic Membership fee) being added to the funds already so designated, either simply going forward or, more significantly, accumulating those additional dues payments which have accrued over the years. In addition, a major portion of the amounts paid by (Lifetime) members of The 1883 Society of the NPRHA which are a minimum of \$2,500 each, should logically be accrued into the Fund, since Preservation was intended to be the distinguishing purpose of **all** of the 'enhanced' membership categories.

We also have members who donate the cash proceeds of their own labors to the Association. They should be asked if they would be willing to have those proceeds go toward our Preservation efforts. As those proceeds accrue to \$2,500 they should be recognized with membership in The 1883 Society.

Another measure we could initiate would be to make a concerted effort to solicit funds from a number of sources: Members (and members' employers); other Railroad Historical organizations; local civic organizations along the route of the NPR; et al.....

# THE CASE FOR NPRHA PRESERVATION GRANTS

## THE PROCESS OF MAKING PRESERVATION GRANTS

Whereas the NPRHA exists as a not-for-profit, 501(c)3 tax-exempt entity, it is appropriate to codify the methods by which funds are accumulated, held, designated for use, and spent. This document will address these aspects as they impact the Association's program for making 'Preservation Grants' to others.

Recipients of these Grants must be either private individuals or other Not-for-Profit entities. They may not be Businesses, Corporations, or other For-Profit organizations which do not have 'tax-exempt' status.

Potential Grant applicants will be identified from a variety of sources: recommendations from Members, interested local residents along the NPR lines, various civic and historical associations and groups, as well as readers of the NPRHA website, *The Mainstreeter*, etc.

Funds will be granted only to those organizations which submit a completed NPRHA Grant Application Form, including all requested documentation. These Applications will be reviewed and evaluated for merit by a standing committee of the NPRHA, which will forward its recommendation(s) to the Board of Directors in a timely fashion.

Grants must be utilized within one year of the Grant having been made, unless an exception has been made, on appeal, by the BOD.

A brief Progress Report shall be submitted to NPRHA by the Grantee by July 1, as well as a Summary Report by January 1. This will enable NPRHA to arrange for continuing external and internal publicity about the Grants and the Projects, which should be beneficial to both parties.

A Grantee may submit a request for a second Grant in the year immediately following the first; however, such a Grantee must wait another year following the second Grant, before applying for a subsequent (third) Grant.

Also, any Grantee whose Application is received after the published deadline should be so notified in writing, and assured that he/they may submit an Application in the next year's cycle, as long as the work is completed during that year. Preservation Grants **will not** be awarded for work already completed.

# THE CASE FOR NPRHA PRESERVATION GRANTS

## IDENTIFYING POTENTIAL (AND PAST) RECIPIENTS OF GRANTS

Heretofore, we have approached potential Grantees solely through the NPRHA website and word-of-mouth. We should investigate the possibilities of using other venues. Certainly, if we have a presence at any local Trade or Hobby shows, we should advertise our Grants as part of our standard information brochures.

We should move forward immediately to develop a comprehensive 'catalog' of existing structures along the route of the NPR. This should include: original name and location, type, present condition, present owner and/or responsible (local) interest group, and a brief description of what restoration work would be required.

A questionnaire might well be sent out to all members, with a request to submit any information they have, regardless of how 'sketchy' it might be. These could be evaluated by a group of members constituting a committee for that purpose, with their recommendation being forwarded to the BOD for consideration as they deem appropriate.

It would seem appropriate for us to use Preservation Funds to support each of the Archives of which we are members (MTM and PRNA), since they are both not-for-profit entities, rather than to use our Operating Funds for that purpose. In fact, it would probably enhance our image somewhat if we could advertise that "XX % of our funds are used for Preservation Projects". To the extent that we have already expended significant funds in support of these Archives (especially MTM), we should probably maintain an ongoing record of such expenditures, since much of them would seem to constitute Preservation activities. These records should also include/reflect our participation in other Preservation activities, such as the Warren McGee photo collection. This would be especially helpful in the (unlikely) event that our record as a Non-Profit is challenged.

It would also be highly appropriate for us to consider making timely contributions from our Preservation Fund to (qualified) organizations in or near Annual Convention locations. The Convention Chair, each year, with the assistance of the BOD, should make an effort to determine whether there are any entities local to the Convention that might be willing to become our 'partners' in these efforts.

Again, this would help to build our external image in the matter of making such Grants, which might be supplemented by help on some of their work by knowledgeable local members. If the Preservation tasks can be done electronically, then even more members would be eligible to assist. Once again, if we make a practice of doing that sort of thing, the concurrent publicity can be used to further our 'good neighbor image', at least to those who, similarly, highly regard the Northern Pacific Railway and its history.

## ***The Mainstreeter* Annual Report – July 2012**

I've now had the pleasure of being editor of *The Mainstreeter* for a year and a half and hopefully am starting to get in a groove. Support to get the issues out is good with former editors Tim Repp and John Phillips III providing text proofing and 3-5 members providing technical proofing for each issue. Chris Frissell provides a Modeling Column for most issues, taking a well-deserved occasional break. Craig Reese, another former editor, does the issue layout.

My first goal to get the publication back on schedule, with a first of the month mailing in March, June, September and December is still a work in progress. I thought we might make it with the second issue this year, but still missed. It was better than last year with the bulk mailing the end of the third week in June. Most members should have received their copy before the 4<sup>th</sup> of July. To aid in a timely release, I am going to start having the articles on hand proof read and edited so they are ready for layout. This will cut down on the 'get it back to me by next weekend' requests to the proofreaders. That said, this year's third issue will be late due to getting the Convention recap ready for publication.

I am working on updating *The Mainstreeter* specific style sheet that Tim Repp put together. The main purpose is correctness when it comes to NP specific terminology along with consistency from issue to issue. Another goal mentioned last year is to maintain a balance between historical and modeling, with historical being the more important, as it is the basis for modeling. I believe we've done a reasonable job at this so far. I should say that modeling content includes those articles on prototype NP assets – be it motive power, rolling stock, structures, etc. that provide the modeler with information to construct more accurate models. A balanced backlog of articles has allowed this to happen.

Still under discussion is changing from an envelope to a poly bag for mailing. Possibly, the polybag will be tried after the next couple of issues when the envelope supply has been depleted.

Currently, there are articles for the next few issues. The first issue of the year features an article on the NP in the convention locale. The third issue of the year has a convention recap along with a main article or two. We can use more articles on the east end of the NP; there are currently no articles on hand for that area. An 'In Memory of' column for deceased NP veterans is under discussion; we tentatively have someone to be the point person/focal for that column. It would name the veteran along with their most notable job or the division they retired from, etc. Along these lines I see a priority of ours to be recording what the vets did do in their jobs –interviewing them and writing down what they did. This would be the basis for articles for *The Mainstreeter*. This type of information probably won't be available 20-30 years from now. The important thing is to get something recorded –be it audio for transcription or in writing; once we have it down so people can read it, the feedback and additions will come much more readily. Along these lines we should be recording the presentations at our conventions, especially the veterans panels; these can be expanded on and form the basis of articles for *The Mainstreeter*. I will continue with the 'Editor's Desk' column. I envision this being the place for solicitations and follow-on comments for articles that have been published. It seems that information always shows up as a result of seeing something in print. Back in issue Vol 30, No 3 I suggested a new feature to be called Photo Gallery. This would be one or two photographs per page with a comprehensive caption. This would allow the use of a photograph(s) as a stand alone rather than accompanying an article. There are a couple in the works, but the response is minimal; I had expected more.

-Ed Sherry, *The Mainstreeter* editor, 206-244-3884, ersherry@comcast.net

**NPRHA  
Membership Report  
July 2012**

	7/7/11 Through <u>6/30/12</u>	6/30/10 Through <u>7/7/11</u>	6/30/09 Through <u>6/30/10</u>
Membership, beginning of period	1,948	1,957	1,904
New Members	182	188	214
Non-renewals	(196)	(181)	(147)
Deceased	<u>(6)</u>	<u>(16)</u>	<u>(14)</u>
Membership, end of period	<u>1,928</u>	<u>1,948</u>	<u>1,957</u>
Net Change	(20)	(9)	53
Half-Price Memberships sponsored by existing members	11	8	8
Members with expirations beyond one year	24%	28%	26%

**Renewals and Retention:**

Membership renewals are encouraged by including a message on the mailing envelope for each *Mainstreeter* to continually remind members of their expiration date and encourage early renewal.

Mailing of renewal notices about one month prior to expiration continues to be the most effective method of encouraging renewals.

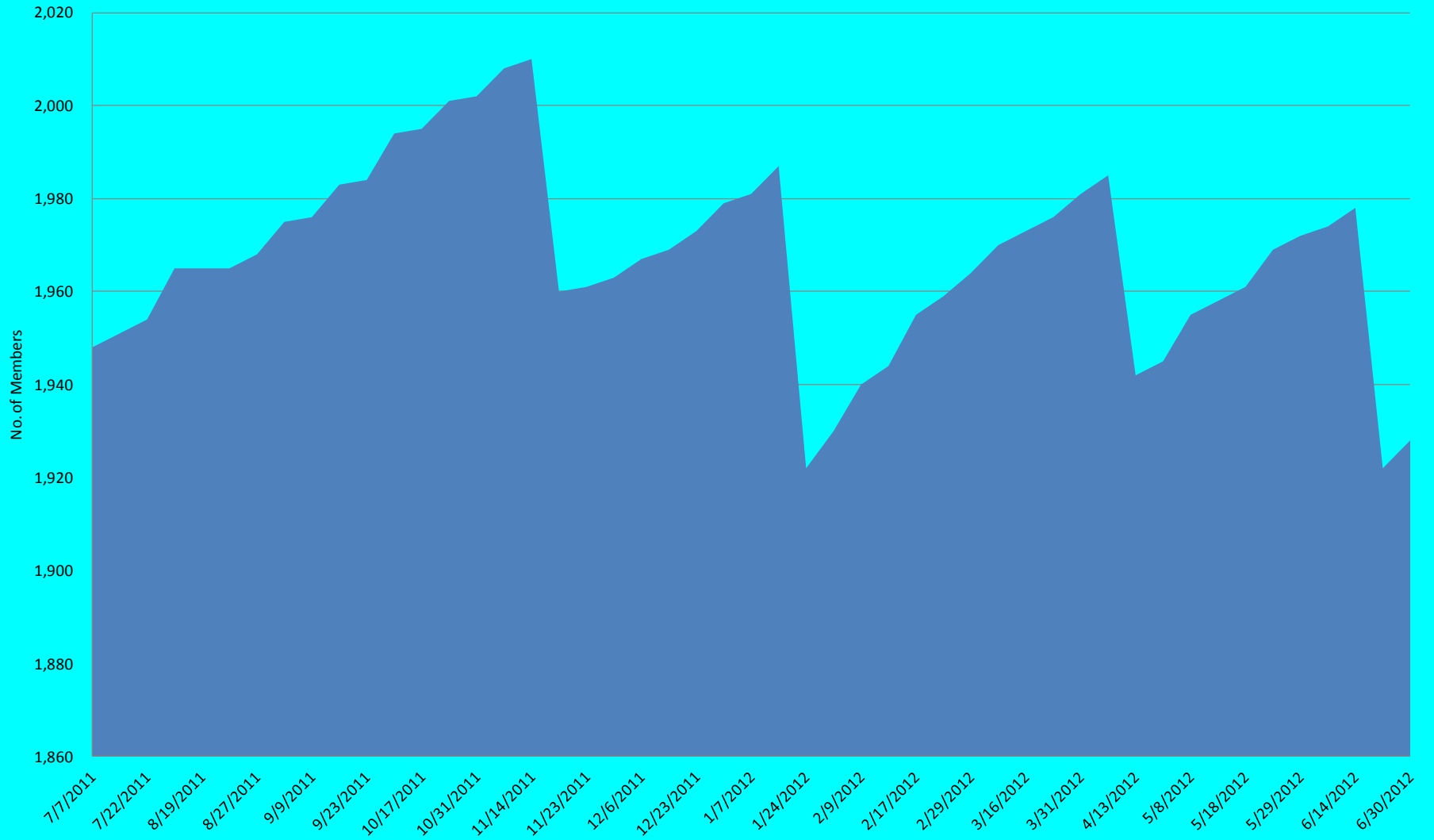
**Recruitment:**

Ken Vogel's efforts at swap meets and railroad shows in the Seattle and Portland areas have been very effective, and accounted for 50 of the new members recruited between 6/30/11 and 6/30/12. Jerry Pickell also recruited 8 new members at swap meets and shows.

Existing members sponsored 11 Half-Price new memberships in the current period.

Approximately 50% of the remaining new memberships during the current period were entered through the NPRHA Company Store website.

### NPRHA Active Members



# NPRHA Modeling Committee Annual Report

Dean O'Neill – July 2012

## Mission Statement

Enable and energize NP modeling through various efforts, including special runs with manufacturers, assisting manufacturers in their research, and researching and producing our own original kits.

### 1. 2011-2012 Noteworthy Items:

- A. Sent 45 boxed of NPRHA color cards to various manufacturers
- B. Completed shift in assembly of wood structure kit production from Bruce Barney to Blair Line.
- C. Assisted several manufactures with model research
- D. Added one new member – Jeff Nichols
- E. Released one new kit, will be available for the Butte convention
- F. Hopefully will be incorporating committee officially into the by-laws

### 2. Feedback Needed

- A. What is the modeling committee doing right?
- B. What does the modeling committee need to do better?
- C. What is the modeling committee not doing that we should be doing?
- D. How can the modeling committee improve communication with NP modelers?

### 3. Future ToDo:

- A. Need to delegate more work on the committee.
- B. Would like to start working more closely with manufactures on new kit development. Just like last year.
- C. Would like to take our kit development to the next level, target something “big”

## Current Offerings:

SKU	Description
N3100	Motor Car/Work Shed - HO
N3101	Wooden Fuel Shed - HO
N3102	Scale House - HO
N3103-	NP 4-Dome Train West Sign - HO
N3103-N-S	NP 4-Dome Train West Sign - N
N3103-O-L	NP 4-Dome Train West Sign - O
N3106	Phone Booth - HO (2 Pack)
N3107	Ice Shed - HO
N3108-1	Tool Shed – HO (Single)
N3108-2	Tool Shed Single - HO (2 Pack)
N3121	HO Scale - NP 30x48 Standard Plan
N3124	N Scale - NP 30x48 Standard Plan
N3120	NP 57-Foot Mechanical Reefer - HO

SKU	Description
N3109	Double Stall Tool Shed - HO
N3110	Motor Car Shed & Fuel Shed – N
N3111	Double Privy – HO
N3112	NP Flat Car 53-Foot – HO
N3113	NP Stock Car 42' 8" – HO
N3104	HO Stock Car Ends – HO
N3039	NP 50-Ft Single-Sheath Box Car – HO
N3114	NP 2-Story - N Scale
N3105	NP 2-Story Depot - HO Scale
N3116	Bay Window Caboose - HO
N3117	Caboose Side Door Add-On Kit - HO
N3123	O Scale - NP Motor Car/Work Shed
N3122	HO Scale - NP East Helena Depot



## **NPRHA Calendar Committee Report**

July 2012

**Calendar Committee Members:** Bill Kuebler, Chair; Duane Durr, Gary Wildung, John Fujii

Note: We have added one member to the committee: John Fujii. John is assisting with photo clean-up and color balancing.

### **Memorandum of Understanding**

The NPRHA Calendar Committee continues to operate in accordance with the *Memorandum of Understanding* established between the Committee and the Board of Directors in July 2006. The procedures outlined therein are working well.

The Committee also continues to operate with the following deadlines:

- **October 1<sup>st</sup>**, two years prior to a calendar's year: Images must be submitted to Committee in order to be considered for use in that calendar. Submission by the deadline does not guarantee image use.
- **January 15<sup>th</sup>**, year prior to a calendar's year: Committee must submit all materials to editor/printer for layout work.
  - Editor/printer submits initial proof (Adobe file; no deadline) to Committee for a cover-to-cover review, allowing a minimum of two weeks for this review.
  - Extra time is allowed for any late substitutions of images due to technical problems with a chosen image. (This has not occurred since 2006, when the Committee assumed responsibility for having images cleaned professionally at DigiGraphics & Photos, Inc., in Minneapolis, or by John Kutz Designs).
  - Calendar for the following year is published and mailed with the No. 2 issue of *The Mainstreeter*.

For the 2013 calendar, prepared this past year, we had John Kutz do all photo clean-up and color balancing, rather than having DigiGraphics do the clean-up work. John charges the same hourly rates, which are competitive. In our opinion, his work is of equal quality to that of DigiGraphics. We believe the results continue to speak for themselves. This consolidation, done on somewhat of an experimental basis, worked out well and streamlined the process in that one less outside vendor is involved. It also reduced the committee's workload. For the 2014 calendar (work is already underway on it), John Fujii, who is now on our committee, will be doing some of the photo work, with John Kutz doing the majority of it. John Fujii's work is on a volunteer basis, which should help reduce our costs somewhat, but most important, he is very competent. We believe it's a good idea to have more than one vendor and/or committee member who can do this kind of work, so we have multiple options in the case of contingencies. We plan to continue this process.

### **Creation of Historical Grid Note Spreadsheet**

The biggest change in our work this year involves something unseen in our product, yet it is a very important item. Last fall the committee chair, with help and advice from John Kutz, created a spreadsheet compilation of all historical grid notes being used in the calendar. Other committee members then reviewed the spreadsheet. The document serves as an authoritative reference for all historical grid notes being used in NPRHA calendars. In the event of changes to the calendar

committee members or the production designer (John Kutz), this spreadsheet should help us avoid “gaps in service” to our members, losses of data, and introduction of errors in the notations that might otherwise result. The spreadsheet, which contains about 250 notes, is exhaustive and also contains instructions regarding space limitations and rotation of notes from year to year. It also has an expandable grid for showing which notes are used in which calendar years, so as to enable equitable rotation of notes in the future. In short, this document should enable standardization and reliability in the calendar.

While creating the document, all the notes were vetted for accuracy—several corrections were necessary—a few notes were deleted, and a few new notes were added. Over the past several years, some errors in dates had crept into the grid notes! These have been corrected. All committee members and John Kutz have a copy of this spreadsheet. It is available to the BOD upon request.

### **Cosmetic Changes to the Calendar**

Very few cosmetic changes were made to the 2013 calendar; only a couple of thumbnail images were changed. The cosmetic changes introduced in the 2012 calendar—several new thumbs; adding moon phases; imposing space limitations for notes; adding color backgrounds to some thumbs; etc.—worked out very well; we are maintaining those features.

### **Photo Selection and Placement Criteria**

The Committee continues to strive for *balance*, *variety* and *quality*. Naturally, these goals sometimes conflict and trade-offs and judgment calls must be made. For example, the Committee may choose a photo with a flaw that cannot be removed, if the photo otherwise offers something very valuable that cannot be obtained by use of another image. The Committee tries to balance subject matter and categories, including but not limited to these:

- Steam, diesel, cars, M.O.W. equipment, structures, signals, etc.
- Locations/geographic settings (i.e., lines east vs. lines west; branches; etc.).
- Time frame (good images prior to 1930s are difficult to come by!)
- Color vs. Black & White images (no signature limitations exist, however)
- Employees in view
- Photographers and collectors represented in the calendar

Generally, the Committee favors action shots or views that imply activity and thus attract attention, rather than simple roster shots—although a roster shot is not ruled out if it has other unique qualities that meet our criteria (e.g., a rare piece of equipment, setting, or time frame).

The Committee does not maintain a large “stockpile” of cleaned images for use in the calendar, because doing so would tend to tie our hands during the photo selection process. This is why the Committee needs funds each year to clean additional photos—an on-going process. Thus, we basically “pay as we go.”

The most serious problem we see looming on the horizon is the number of good sources. It has now likely reached its potential. We believe that in just a few years the variety of images available to us will decrease to the point where subject balancing and category-variety will be impacted. This is inevitable for a railroad that has been gone now for 42 years!

The Calendar Committee maintains its long-standing philosophy that the calendar should, most of all, please the audience. We deem the audience to be (in this order of preference): (1) current NPRHA members; and (2) potential NPRHA members (i.e., the Committee sees the Calendar as a recruiting tool).

The Committee has received much positive, and no negative, feedback in recent years. Therefore, the Committee's current system, in our opinion, is effective. Nevertheless, we welcome feedback and constructive criticism.

Respectfully submitted,

Bill Kuebler  
NPRHA Calendar Committee Chair

## **West-End Archive Annual Report – July 2012**

The West End Archive is located in the Pacific Northwest Railroad Archive located in Burien, Washington. It has been up and running now for over two years and has weekly work sessions on Wednesday. Buzz Grant heads up the NP related work at these sessions. Rather than having me repeat what has been happening at the archive, see the separate 2<sup>nd</sup> quarter PNRA report for the latest.

Of specific interest to the NPRHA is the work being performed by Dan Cozine that has been funded by the association. He is cataloging the NPRHA's west-end Field Completion Report (FCR) collection. Some of the most useful information that can be found regarding various locations on the Northern Pacific Railway can be found in the project files of the railroad. Upon completion of a project, the NP issued a Field Completion Report which included assorted project information regarding dates, costs and specifications for the work. Most FCRs included a map showing the location and surrounding details, the numbers of any associated Applications For Expenditures (AFE) and the dates the project was started and completed. A collection of assorted NP records from the Tacoma Division headquarters at the Tacoma Union Station was received by the NPRHA after they were deaccessioned by the Tacoma Public Library in the early 1990s. In that collection, there are three boxes containing approximately 600 FCRs printed on approximately 3,000, 11-inch by 17-inch pages. The FCRs are from projects on the Tacoma and assorted other western divisions dating from 1920 to 1928. The project is well along to completion with document scanning the major task to be completed.

*-Ed Sherry, West End Archive chairman, 206-244-3884, ersherry@comcast.net*

# 2012 Web Site Report

*Gary Tarbox June 2012*

The upgrade of the sites to SharePoint 2010 turned out to be much more involved than originally anticipated. The *NPRHA.org* and the *Membership* sites are now running on the second server on the SharePoint 2010 software version on a 64-bit version of Windows Enterprise Server. However the *GN-NPJointArchive.org* and *PNRArchive.org* sites are still on the original server. The second server was purchased by PNRA and GNRHS and PNRA pays the monthly hosting fees.

When all the sites are active on the second server, the original server will be configured with the 64-bit version of Windows Enterprise Server and SQL Server, so it can take over the database server duties. The major benefit of this two server configuration is faster search results to all the databases and the ability to handle higher traffic loads without slowing of site performance.

The following activities highlighted the past year:

- *NPRHA.org* has 115 databases accessed from the “Links to All Site Databases & Lists” at the top of the Research Library home page.
- A total of 139,554 AFEs have added to the databases on the *GN-NPJointArchive.org* site. When available, the NP AFEs from Jim Fredrickson’s collection and those donated by the Tacoma Public Library will be added to this site and linked to *NPRHA.org*.
- The full SharePoint 2010 upgrade will increase the search capability on all the sites, as-well-as allowing integration of the JSRH Collections Database and its special features written by Jeff Otto into the web site. This will allow members anywhere in the world to help catalog items accurately from their home computers.
- XFactorMM continues to provide the NPRHA with their “top of the line” commerce site where our Company Store operates and hosts our *NPRHA.org* server in a commercial data center for the same \$99 per month fee as called for in our 2003 agreement.