

Board Meeting – Northern Pacific Railway Historical Association – September 8, 2019 – Baxter, Minnesota

Meeting called to order by President Bill Zidel at 3:03 PM. Board Members present initially: Golde, Hillard, , Shannon, Woodward, and Zidel. Makins and Zieska joined mid-meeting. O’Neil did not attend the 2019 Convention.

NPRHA Company Store: Bill Zidel asked Chris Atkins to provide information about the current situation with the NPRHA Company Store. Dave Hillard provided a detailed inventory of items currently in the NPRHA Company Store. The inventory is currently valued at about \$60,000. Sales in 2018 totaled \$36,288. The Store is currently financially self-sufficient. All stock is held at the Pacific Northwest Railroad Archive in Burien, Washington. PNRA charges NPRHA \$0.30 per SKU per month for shelf space. This charge is the same for each SKU, whether the inventory that SKU is one (true for several of the books) or over 100 (true for several decal sets). So in general, the shelf space cost of keeping the inventory is not a huge cost to the store, at least compared to the amount of capital tied up in the actual physical inventory.

Current inventory includes of about 360 distinct items (SKUs):

- 8 are Hats. These are the remaining apparel items, significantly fewer than the inventory of shirts, vests, etc. that was once offered by NPRHA.
- 45 are various Structure Kits, mostly in HO scale or N scale, with a few also offered in O scale. Nearly all depict structures of varying complexity, either unique to or typical of NP structures. The majority of these were produced by the NPRHA Modeling Committee.
- 28 are Rolling Stock items – cabooses, freight cars, or passenger cars. Again, several of these were produced via efforts of the NPRHA Modeling Committee. Some of the rolling stock items have sold very well; some not so well, which has resulted in some of them eventually being offered at bargain prices by the NPRHA Company Store, and perhaps on eBay or via a major dealer. We might also want to consider hobby shows like Spokane, Helena, Missoula, or Albany, OR. Chris will furnish Bill Zidel with potential pricing information for some of the slow-moving items.
Chris and Dave commented that several of the structure kit and rolling stock kit sales in recent years appear to have aided in recruitment of new members for NPRHA.
We also briefly discussed recent projects from the Modeling Committee. Although many of the projects of the Modeling Committee have been funded via revenue from the NPRHA Company Store, the Board must be kept aware of future Modeling Committee projects that might require NPRHA funding during development and production. Dave Hillard will discuss this issue with Dean O’Neill.
- 4 are Trailer models
- 20 are Decal sets. Many of these cover items that are unique to Northern Pacific. Decals require relatively high volume orders to allow a competitive retail price.
- 16 are freight Car Trucks, all of which depict trucks that were used on Northern Pacific rolling stock.
- 22 are Greeting Cards by Jack Christensen. We can generally print these as necessary to meet demand.
- 9 are Pins or Patches. We have not purchased pins or patches in several years and recent sales are quite low. We should consider giving some away in convention packets as a means of reducing our SKU count.
- 81 are Books, Maps, or Videos. Several of the books were purchased by the store as a means of supporting the author’s creation of the book, which covered topics unique to NP. Most of these turn over well, be we might want to consider some reduced price offers for a few of them. But many of the books are currently out of print, so NPRHA may be the only source.
- The remaining SKUs are previous issues of *The Mainstreeter* or NPRHA Calendars. We should consider selling digital copies of the older issues of *The Mainstreeter*, rather than paying to keep significant numbers of printed on the shelves at PNRA. We may be able to obtain PDFs of *The Mainstreeter* from the printer.

Chris Atkins and Dean O’Neill buy the great majority of items that are eventually sold in the NPRHA Company Store, although Gary Tarbox does print additional copies of Jack Christensen greeting cards as needed to meet sales.

We might consider selling donated used books (marked as used) in the Company Store.

Lance Vallone will be retiring from running the NPRHA Company Store at conventions after the 2019 Convention. We need to find a replacement for future.

Ken Zieska will provide a summary of thoughts on the Company Store.

Liability Insurance: At the invitation of Bill Zidel, John Causbie, an insurance agent, offered the following counsel on Liability Insurance: Since the hotels, bus lines and other entities we use to put on conventions already have liability coverage, NPRHA probably does not need extensive liability coverage for conventions. However, NPRHA should consider buying a “Non-Profit General Liability and Inventory Yearly Policy” from a company like Great America or Philadelphia. It covers slip and fall incidents at conventions (usually up to \$1,000,000), potential losses of inventory at a location (PNRA) and at another location, such as the convention. Cost should be on the order of \$500 to \$600 per year. We probably do not want to get Directors Errors & Omissions coverage, as it only covers mismanagement of the organization, which must be proven and must have resulted in financial loss to the person(s) submitting a claim. Directors E&O generally applies to mismanagement situations for-profit companies that result in loss to stockholders, a situation that does not apply to NPRHA. NPRHA Board Members might consider buying an extension to their personal umbrella policies if they are concerned about personal Errors & Omissions issues related to NPRHA. We might also consider Fidelity coverage for Board members. We need to find a small independent insurance agency who can sell us this policy. Dave Hillard will pursue this issue. As a benchmark, *Santa Fe Railway Historical & Modeling Society* gets their coverage for \$600 per year. John cautioned us that we must read the policy before we commit to it, since insurance companies have been adding language that reduces coverage in order to keep premium charges low and “competitive”. John said he would be happy to offer additional consultation on insurance, but commented that he cannot sell us a policy because we are not a large enough entity.

Possible Dues Increase: Bill Zidel commented that we need to consider that possibility of increasing dues. The next issue of *The Mainstreeter* will include a discussion of this issue, which will include the possibility of reinstating gift memberships. Bill Zidel urged consideration of offering gift memberships, because of the high level of recidivism we experienced with gift memberships in the past. In short, gift memberships seem to be an effective tool to encourage new membership.

Conventions Committee: Currently consists of Steve Fuller, Dean O’Neill, Jan Taylor, and Ken Zieska. This committee must approve all expenditures and plans for future NPRHA Conventions. Hotels, catering and transportation must be included in the plans, but another aspect of successful Convention planning involves choosing speakers and presenters. Speakers and presenters must be kept aware that they have allotted times for their presentations and encouraged to practice beforehand to ensure they stay close to the schedule. These are an important parts of successful Convention planning.

Grants: Harold Shannon has prepared a presentation for the Membership Meeting and will cover issues at that time. We agreed that NPRHA needs to have a goal / ceiling for annual Grant expenditures.

GoToMeeting: We may use this for future discussions between in-person board meetings between conventions.

Financial Planning: Dave Hillard wants us to consider how much money NPRHA needs in the future. At the moment, we have about \$200,000. I

In the past, NPRHA has received substantial donations from individuals and estates. This may continue to a limited extent in the future. There was consensus among the Board that we will probably not expend substantial NPRHA Funds to purchase private collections from individuals. The NPRHA Board may be willing to accept *donations* of unique and historically significant items or collections, especially from persons or families with a history of personal involvement in the Northern Pacific Railway or from third parties who have purchased said items from the original persons or families.

Archive Committee: We still have some issues with our relationships with the PNRA and the nature of the databases and systems used to store historical information such as photos and documents. We also still have issues with space at Jackson Street and our relationships with MTM and GNRHS.

Issues on the agenda but not discussed:

- Who will be **Treasurer after 2020?**
- Other immediate issues regarding the **2019 Convention** – none were raised during the Board Meeting

Adjournment moved by Golde, second by Makins. Unanimously voted to adjourn at 5:36 PM.

Jim Woodward – Secretary, NPRHA