

Board Meeting – Northern Pacific Railway Historical Association – January 31, 2022 via GoToMeeting

Meeting called to order by President Bill Zidel at 5:07 PM PST.

Board Members present: Don Golde, Dave Hillard, Steve Joyner, Bob Makins, Dean O'Neill, Doug Shearer, Jim Woodward, Bill Zidel, and Ken Zieska.

Raffle: For the past several years, raffle tickets have sold at a price of \$5.00 for 40 tickets, both in-person at the conventions (fingertip to fingertip arm span \approx 40) and via mail-in sales prior to the raffle, in other words about 8 cents per ticket. This price has resulted mail-in / web sales as high as 36820 tickets in 2021 and 16340 in 2020, with one mail-in buyer spending \$250 on tickets over that two-year period. In-person sales at the 2021 convention totaled \$1210, resulting in at least 60,000 tickets being involved in the 2021 raffle, which likely filled a substantial portion of the large raffle drum we have used for at least the past 25 years. The high volume also resulted in a lot of effort on the part of ticket buyers to determine if one of their tickets matched the winning ticket, as well as a significant volume of paper tickets to be trashed or recycled after the drawing.

On the other hand, many members have difficulty maintaining interest in the raffle as currently practiced, both because many of the early prizes are of marginal value and because it takes so long to get to the valuable prizes at the end. Many members would probably be happier and more likely to participate in the raffle if we had no more than 15 – 20 total prizes (all relatively valuable). This would mean the entire raffle could be completed in substantially less than an hour.

If members wanted to contribute additional less valuable items as door prizes, we could establish a table or two for those and banquet attendees could simply take one from that collection.

After discussion, Ken Zieska moved that we set the future price at \$5 per ticket, \$10 for 2 tickets, and \$20 for 5 tickets, (\$40 for 10 tickets, etc.) for in-person and mail-in sales. Steve Joyner seconded. Motion carried unanimously on a voice vote.

With this new pricing structure, we should probably remind buyers who want a relatively decent chance of winning one of the most valuable prizes (drawn at the end of raffle) to buy at least two tickets in case one of their tickets is drawn in the early part of the raffle. Alternatively, we could draw for the most valuable prizes first.

The increased price should substantially reduce the number of tickets sold in a given year, which in turn should allow NPRHA to purchase a significantly smaller raffle drum to replace the large, worn-out drum we have been using. The smaller drum would be significantly lighter and much more portable than the one we have been using. One might estimate that raising the price from \$0.08 per ticket (\$5 for 40) to \$4 per ticket (\$20 for 5) would reduce sales by a factor of 50, so instead of selling as many as 30,000 tickets per year, we would sell about 600 per year. So, a drum capable of holding up to 2000 tickets would ensure good randomization.

Ken Zieska commented that he had budgeted \$250 for spouse's prizes for the 2022 Brainerd Convention and asked if he needed to budget any amount for members prizes for that convention. Bill Zidel replied that he had the members prizes covered, adding that Ken did could spend a bit more than \$250 if needed.

Ken Zieska and Bill Zidel will prepare an insert for the next *Mainstreeter* explaining the change in raffle ticket pricing. This information should also be placed on the web page for the 2022 Convention when that is published.

2024 Calendar Proposal: We discussed the email correspondence between Bill Kuebler and Bill Zidel describing the Calendar Committee's proposal for a special double-sized 2024 calendar featuring Ronald Nixon's Steam and Diesel photographs. Dave Hillard pointed out that the cost of \$5275 for the most recently produced calendar (2022 edition) was only for printing and did not include cost for layout. Layout for 2022 was an additional \$3825, raising the total 2022 calendar cost to \$9100.

Bill Kuebler's emails quoted a cost of \$9100 for printing 2600 copies of the proposed double-sized 2024 calendar, but did not mention the increased cost of layout. We'll need to understand what the additional cost will be for layout of the proposed double-sized 2024 calendar before we can make a fully informed decision regarding that proposal.

(Secretary's comment: If the cost of layout increases in the same proportion as printing costs are estimated to increase, layout would be about \$6600, for a total cost of \$15,700). We expect this would lead to a price increase for copies of the 2024 calendar sold to non-members of NPRHA. Consensus of the Board was that NPRHA would bear the financial implications of sending the more expensive calendar to NPRHA members.

Of the 2600 calendars typically printed each year, 1700 - 1800 currently go to members, with the remaining 800 – 900 sold via NPRHA Company Store and through various retail outlets (mainly hobby shops). The increased cost for the

proposed 2024 calendar would be incurred by NPRHA in the early part of the 2023 calendar year, with the calendars being shipped in late 2023.

Several members of the Board commented that although they enjoy receiving the Calendar and perusing the photos and information contained the calendar, they tend to file it with other NPRHA publications and do not hang it on their wall. Some prefer to hang a full-year calendar like those NP once published. <https://pacificrailroadantiques.com/For%20Sale/Paper/Calendars/11455-1.JPG>

We need to balance the likely increased cost of this calendar proposal with the alternative of spending those funds on additional grants.

Bill Zidel will further explore this issue with Bill Kuebler, asking that the Calendar Committee provide a full listing of the costs of the proposed 2024 Calendar.

Investment Update: Total NPRHA Assets as of December 31, 2021 have now reached \$317,844.37, up \$90,343.58 from December 31, 2020. The two greatest contributors to the increase are a \$50,000 gift from Don Larson and increased dues revenue generated by sales of the Vista Dome Package. Note that dues income in the next 2-3 years may be reduced a bit due to the fact that Vista Dome Package buyers got a four-year membership for their purchase. On the other hand, Bill Zidel commented that NPRHA, as a 501c3, will likely receive several other relatively large contributions in the coming years.

In 2019, NPRHA invested \$150,000 in five \$30,000 laddered three-year money market Certificates of Deposit, the last of which will mature on February 14, 2022. The original plan was to hold and reinvest in these CDs as a way of earning some return on NPRHA funds. During the time NPRHA held them, these certificates had been earning about 2.25% interest. However, recent projected rates of return for money market CDs are close to zero (actually 0.018%), so they are no longer attractive as investment.

So, Bill Zidel and Dave Hillard recently explored with a Wells Fargo representative some other options for investment of some of NPRHA assets with the goal of earning some interest, while maintaining a low risk level. That discussion led them to the Lord Abbet Bond Debenture Fund - [Bond Debenture Fund Fact Sheet \(lordabbett.com\)](#) Since NPRHA funds are already deposited at Wells Fargo, this fund is easily accessible to NPRHA. This Fund started on September 28, 2007, and a summary of its performance to date can be found at [LBDFX | Bond Debenture Fund Class F | Lord Abbett](#)

After some additional discussion, Dean O'Neill moved that NPRHA invest \$250,000 in the Lord Abbet Bond Debenture Fund. This will leave NPRHA \$66,000 in fluid funds, which should be ample for our usual operations, based on experience in recent years. Jim Woodward and one other Board member seconded. Motion carried unanimously by voice vote.

Bill Zidel then said that he and Dave Hillard would move forward with the investment in the Lord Abbot Bond Debenture Fund soon after the last Certificate of Deposit matures on February 14, 2022.

Dues Revenue: Dave Hillard called our attention to line 22 of the NPRHA Profit and Loss summary, which shows the following numbers for Membership Dues in the last three calendar years: 2019 - \$53,913.50, 2020 – \$59,294.00, 2021 - \$97,916.00. As previously mentioned, we can attribute the sharp increase in 2021 to sale of 155 Vista Dome Package memberships at \$290 each, resulting in revenue of \$44,950. Since the Vista Dome memberships are four-year memberships, NPRHA will likely see somewhat reduced membership revenue in years 2022 – 2024. Nine additional Vista Dome memberships have been purchased so far in 2022.

Dean O'Neill commented that we have told members that a portion of that Vista Dome membership revenue will be spent on projects that were outlined to some extent when we announced the Vista Dome package. Dean will provide a list of possible uses for Vista Dome revenue in the next few weeks.

Jim Woodward commented that he would like to see some of the revenue spent to begin digitization of the Warren McGee photo collection at the Montana Historical Society, if Montana Historical Society is willing to work with NPRHA on such a project. Dean O'Neill commented that he plans to spend some time in Helena this spring and summer, and that he might be willing to explore that project with Montana Historical Society. Bill Zidel commented that we would have to depend on Montana Historical Society to hire someone, perhaps with the assistance of a temp agency, to do the scanning and that we could then provide some level of reimbursement to Montana Historical Society. Don Golde suggested that we would perhaps need to provide some consultation to Montana Historical Society to help them prioritize which photos to scan first. Dean has been working with the PNRA to establish scanning standards, which may be useful in discussions with Montana Historical Society. Fortunately, we now have an index of Warren's photos - [Warren McGee Railroad Collection Main Table.xlsx \(nprha.org\)](#) – as a starting point for discussions.

Adjournment: Jim Woodward moved to adjourn the meeting; Dave Hillard seconded. Adjournment approved unanimously at 8:24 PM.

Jim Woodward – Secretary, NPRHA