

National Model Railroad Association  
2017 Midyear Board of Directors Meeting  
February 18, 2017  
Drury Inn & Suites Atlanta, GA  
Final Minutes

- 1) PREZ Getz, HLM, asked that all Directors, Officers, Department Managers, and observers introduce themselves.
- 2) PREZ Getz, HLM, called the meeting to order at 0910 18 Feb 2017.
- 3) CFO Koch, HLM, presented a proxy for ALWWD Brestel, HLM, who was unable to attend due to illness.
- 4) The roll was called and all Directors were present except for ALWWD Brestel, HLM. All Officers and Department Managers were present.
- 5) A quorum was present.
- 6) **MBOD17021801** Motion by RACD August to suspend the rules. Seconded by ALNAD Youngblood, MMR. Motion passed by voice vote.
- 7) There was no correspondence.
- 8) PREZ Getz, HLM, led a discussion on communication issues we have had since the 2016 Annual Meeting. According to ITDM Sevier, in late fall, our website provider had some major hardware problems that affected the website and the nmra.org email addresses. Once that problem was solved, those members of the Leadership Team with yahoo email addresses have had issues. He thinks that all those issues are resolved.
- 9) PREZ Getz, HLM, asked if there were any corrections/additions to reports.
  - a) SCDM Voss, MMR, presented a supplement to his report.
  - b) CFO Koch, HLM, presented a supplement to the report submitted by ALWWD Brestel, HLM, which answered many insurance questions.
- 10) **MBOD17021802** Motion by PDD Bartlett to accept Consent Agenda as amended. Seconded by RACD August. Motion passed by voice vote.
- 11) CFO Koch, HLM, led a detailed discussion of his Budget & Finance Report.
  - a) The Indianapolis Convention was a financial success.
  - b) The Indianapolis National Train Show lost money.
  - c) The 2015 financial results should be posted on the website by the end of the month.
- 12) **MBOD17021803** (See Attachment B) Motion by EDD Gelmini, MMR to accept the Budget Approval Motion as presented. Seconded by CAND Headon, MMR. Motion passed by voice vote.
- 13) **MBOD17021804** (See Attachment C) Motion by CDD Magoun, MMR, to accept the Financial Policy Amendment Motion as presented. Seconded by PDD Bartlett. Motion passed by voice vote.
- 14) **MBOD17021805** (See Attachment D) Motion by CDD Magoun, MMR, to accept the New Investment Accounts Motion. Seconded by ADD Millatt, MMR. Motion passed by voice vote.
- 15) **MBOD17021806** Motion by ALWWD Brestel, HLM to accept the Dues Increase Motion as presented. Seconded by CDD Magoun, MMR. A lengthy discussion was held on this motion.

- 16) **MBOD17021807** Motion by CDD Magoun, MMR to table the Dues Increase Motion since we are not sure what effect the Marketing Initiatives will have on the budget. Seconded by RACD August. Motion passed by voice vote.
- 17) PREZ Getz, HLM, led a discussion on the Gallery Exhibit.
  - a) In August, he had a meeting with the California Department of Parks & Recreation District Supervisor. The CSRM is still very interested in housing the NMRA Gallery Exhibit and the Kalmbach Memorial Library.
  - b) The necessary paperwork is still at the state level.
  - c) Once the paperwork is signed, it will take approximately 9 months to build.
  - d) PREZ Getz, HLM, and Bob Brown will be meeting with the new interim director.
  - e) The CSRM now wants the library to move in before the Gallery Exhibit is started.
    - i) HQ is working on inventorying the books and magazines to determine duplicates.
    - ii) It will still be the Kalmbach Memorial Library but it will be housed at and administered by the CSRM.
    - iii) NMRA members will also have access to the other inventory of the CSRM at no extra cost.
- 18) Meeting recessed at 1045.
- 19) Meeting reconvened at 1100.
- 20) **MBOD17021808** Motion by PDD Bartlett to notify the CSRM that we must have a signed agreement for the Gallery Exhibit and the Kalmbach Memorial Library by July 15, 2017 or the project will be withdrawn. Seconded by CAND Headon, MMR. Motion passed by voice vote.
- 21) Bob Weinheimer, MMR, reported that the hobby shop discount flyer will be distributed in the next 30-60 days.
- 22) Meeting recessed at 1140. BOD holds Executive Session.
- 23) Meeting reconvened at 1230.
- 24) PDD Bartlett led a discussion on magazine costs. He feels that we should look at the options to reduce the magazine costs possibly by reducing issues to bimonthly or quarterly. A committee was formed to be led by CFO Koch, HLM, with BOD participation.
- 25) PREZ Getz, HLM, reported on the Executive Session.
  - a) The BOD accepted the Honors Committee report.
  - b) COUNSEL reported on the Vertical Integration Project.
    - i) The IRS has rejected our initial application for legal technical reasons.
    - ii) We have contracted with a law firm specializing in tax issues to advise on a path forward to correct the legal technical issues and refile our paperwork.
- 26) PREZ Getz, HLM, led a discussion on the Model Railroad Registry Program. The committee has worked out the privacy issues. The program will be an opt-in plan to protect the member's personal data. The program will go live very soon.
- 27) Meeting recessed at 1425.
- 28) Meeting reconvened at 1435.
- 29) ALNAD Youngblood, MMR, led a lengthy Power Point discussion on Retention and Recruitment. See Attachment H. The presentation was discussion only with no action taken.
- 30) Meeting recessed at 1600.

- 31) Meeting reconvened at 1610.
- 32) SECY Stevens reported on electronic voting.
  - a) The RACD election was held in the fall using electionbuddy.com. RACD August was reelected.
  - b) NMRA Canada is using electionbuddy.com for the 2017 elections.
  - c) NMRA is using electionbuddy.com for the 2017 CDD election.
- 33) PREZ Getz, HLM, led a discussion on the magazine index.
  - a) ITDM Sevier noted that his team is still working on the Company Store. The Index is the next large project.
- 34) WDD Priest, MMR, led a discussion on LCC.
  - a) More manufacturers are starting to provide LCC products.
  - b) The 2018 NTS will have a layout featuring LCC products.
  - c) The NMRA Magazine and Railroad Model Craftsman have both been running LCC ads and are planning LCC articles.
- 35) PREZ Getz, HLM, led a discussion on the EduTRAIN trademark. We are still finding Regions that are using the trademark without authority.
- 36) CFO Koch, HLM, led a discussion on the EHB update.
  - a) The new governing documents will be more general than the current documents.
  - b) They are still reviewing for typos.
  - c) The document should be ready for the 2017 Annual BOD Meeting.
- 37) VP-SPEC PROJ Leone, MMR, led a discussion on promotional emails/videos
  - a) The current agreements ask for a donation of one hour of video per year in exchange for four quarterly email promotions to the membership.
  - b) The 2017/2018 agreement with Model Railroad Academy increases that donation to two hours of video.
  - c) The 2017/2018 agreements with Model Railroader Video Plus and Trainmasters TV will also ask for two hours of donated video.
- 38) VP-SPEC PROJ Leone, MMR, led a discussion on a new marketing tool called the NMRA Turntable. This will be an electronic publication that will include links to digital publications that is felt the membership will find of interest.
- 39) VP-SPEC PROJ Leone, MMR, led a discussion on new award called the NMRA President's Award for Service to the Division. There are many people that are doing great work at the Division level which National feels needs to be recognized. The details of this new award will be published in the near future.
- 40) SCDM Voss, MMR, led a discussion on the standards gauge. As reported in Indianapolis, we have found that the HO gauge is 12 scale inches too narrow. He is requesting guidance from the BOD as to how to handle the issue.
- 41) **MBOD17021809** Motion by CDD Magoun, MMR to take the following actions
  - a) Change the 'A' dimension in S-7, Clearance, to 8 feet so that it agrees with the American Railway Engineers Association (AREA) clearance diagram as presented in their 1936 manual.
  - b) Have a new HO gauge stamp made that includes the change made in a) above.
  - c) Use the remaining HO Mark IVb gauges as a component of the plastic modern clearance gauges for HO and On30.Motion seconded by RACD August. Motion passed on voice vote.

- 42) **MBOD17021810** (See Attachment E) Motion by CAND Headon, MMR to accept the Border Adjustment Motion. Seconded by CDD Magoun, MMR. Motion passed on voice vote.
- 43) **RBOD17021801** Motion by CAND Headon, MMR to accept a resolution thanking CDD Magoun, MMR, for his service to the NMRA. Seconded by PDD Bartlett. Motion passed on voice vote.
- 44) Meeting recessed at 1715.
- 45) Meeting reconvened at 1900.
- 46) ADD Millatt, MMR, led a lengthy review of the Strategic Review Committee Report.
- a) We lose 2/3 of our new members in the first 2 years.
  - b) We need to be better at delivering benefits.
  - c) The average age of our membership is 68. The average age of our new members is 58.
  - d) Lessons learned from our discussion in Indianapolis
    - i) Our major issue is retention.
    - ii) We still need to work on recruiting younger members.
    - iii) We need to widen our partnerships within the hobby, industry, and education bodies.
- 47) VP SPEC-PROJ Leone, MMR, and Marketing Ganzer led a lengthy discussion on our marketing initiative. We reached the following decisions:
- a) RETENTION is our #1 concern.
  - b) EDUCATION is our strong suit.
  - c) Our primary target market is retirees and near-retirees.
  - d) We will be focusing on advanced beginners and intermediate modelers.

The Marketing Plan will be started after MS Ganzer returns home and will be implemented upon completion with a progress report to be presented at the 2017 Annual BOD Meeting in Orlando.

- 48) SECY NOTE: Earlier in the meeting, a motion was made to accept the Dues Increase Motion. The motion was tabled until we had determined if the Marketing Initiative would have an impact on the budget.
- 49) **MBOD17021811** (See Attachment F) Motion by ALWWD Brestel, HLM, to accept the Dues Increase Motion as presented. Seconded by CDD Magoun, MMR. Motion passed 8-1-0.
- 50) Motion by CDD Magoun, MMR, to adjourn in memory of Page Martin (PSR), Mrs. Gene Nichols (SER), Jeremy Williams of Williams Models, and Mrs. Ruth Day, widow of Howell Day. Seconded by WDD Priest, MMR.
- 51) Meeting adjourned at 2140.

Respectfully Submitted  
John Gardner Stevens, III  
Secretary

## ATTACHMENTS

- A Abbreviations used in these Minutes
- B Text of **MBOD17021803** Budget Adoption Motion
- C Text of **MBOD17021804** Financial Policy Amendment Motion
- D Text of **MBOD17021805** New Investment Accounts Motion
- E Text of **MBOD17021810** Border Adjustment Motion
- F Text of **MBOD17021811** Dues Increase Motion
- G Text of **RBOD17021801** Resolution thanking CDD Pete Magoun, MMR
- H Retention/Recruitment Power Point Discussion

## ATTACHMENT A

### ABBREVIATIONS USED IN THESE MINUTES

ADD	Atlantic District Director
ALNAD	At-Large North America Director
ALWWD	At-Large Worldwide Director
ASST SECY	Assistant Secretary
CAND	Canada Director
CDD	Central District Director
CAO	Chief Administrative Officer/Administration Department Manager
CFO	Chief Financial Officer
COMMD	NMRA Communications Director
COUNSEL	NMRA Legal Counsel
DSA	Distinguished Service Award
EDD	Eastern District Director
EDUCDM	Education Department Manager
FA	Fellow Award
FRDM	Fund Raising Department Manager
HCC	Honors Committee Chair
HDMCC	Howell Day Museum Committee Chair
HLM	Honorary Life Member
ITDM	Information Technology Department Manager
KMLM	Kalmbach Memorial Library Manager
MARDM	Marketing Department Manager
MMR	Master Model Railroader
MSTDM	Meetings & Trade Shows Department Manager
PDD	Pacific District Director
PDM	Publications Department Manager
PREZ	President
RACD	Regional Advisory Council Director
SECY	Secretary
SCDM	Standards & Conformance Department Manager
VP-ADMIN	Vice President - Administration
VP-SPEC PROJ	Vice President – Special Projects
WDD	Western District Director

**ATTACHMENT B**

Text of **MBOD17021803**

Agenda Motion # 1 Budget Adoption Motion

Meeting Minutes Motion # MBOD17021803

(To be entered by the Secretary)

Motion for Regulations NA

Motion for EHB Section NA. Paragraph \_\_\_\_\_

Motion for Policy NA

Motion: Eastern District Director Gelmini moves to adopt the NMRA budget proposed by CFO Koch of \$1.9 million for 2017.

Rationale: The individual departments have provided their input as have the officers and the chairs of convention and NTS.

The budget includes the requisite 3% surplus as specified in the EHB.

This action can occur in open session.

**ACTION: PASSED**

**ATTACHMENT C**

Text of MBOD17021804

Agenda Motion # 4 Financial Policy Amendment Motion

Meeting Minutes Motion # MBOD17021804

(To be entered by the Secretary)

Motion for Regulations NA

Motion for EHB Section S 3.1 Paragraph III – B-1

Motion for Policy Reviewed by Policy - OK

Motion: CDD Magoun moves to amend the EHB, Section S 3.1, Financial Policy; Sub-section III, Investment Guidelines; paragraph B-1, Asset Allocation and Target Ranges by Asset Class. The only change is to increase the upper range limit for US Equities from 70% to 80%.

	Current Target Range	Proposed Target Range
Cash & Money Markets	0-50%	0-50%
US Equities	40-70%	40-80%
International Equities	0-15%	0-15%
Fixed Income	10-45%	10-45%
Total	100%	100%



Rationale: US equities currently account for 68.7% of our portfolio value. The strength of the US Equity sector plus our current practice of reinvesting the attractive dividends is edging the weighting upward. It is not recommended to rebalance our portfolio as the cost is greater than any benefit.

The International equity sectors (5.8% of portfolio) are not attractive at this time. We will continue to add to our fixed income (25.0% of portfolio) position as new funds are available. The remaining 0.5% is cash.

This action can occur in open session.

**ACTION: PASSED**

**ATTACHMENT D**

Text of **MBOD17021805**

Agenda Motion # 2 New Investment Accounts Motion

Meeting Minutes Motion # MBOD17021805

(To be entered by the Secretary)

Motion for Regulations NA

Motion for EHB Section NA Paragraph

Motion for Policy NA

Motion: Central District Director Magoun moves to authorize the NMRA CFO to open two investment accounts with the Benjamin F. Edwards firm. One account will be for the NMRA Investments and the other will be for the NMRA Museum investments. The transfer of investments will continue the separation of NMRA and Museum funds.

Rationale: The EHB authorizes the CFO and Investment Committee to choose the firm in which the NMRA opens investment accounts. The new accounts are being opened for ease of administration. Investment firms and banks do, however, require corporate resolutions that indicate who is authorized to open accounts on behalf of the corporation.

The signatories on the accounts will be the CFO, CAO, Secretary, and Counsel as these are positions that tend to stay the same over time.

This action can occur during open session.

**ACTION: PASSED**

**ATTACHMENT E**

Text of **MBOD17021810**

Agenda Motion #5 NER/NFR Border Adjustment

Meeting Minutes Motion # MBOD17021810

(To be entered by the Secretary)

Motion for Regulations \_\_\_\_\_ - Paragraph \_\_\_\_\_

Motion for EHB Section \_\_\_\_\_ Paragraph \_\_\_\_\_

Motion for Policy \_\_\_\_\_

**Motion:** The Canadian District Director moves to transfer the following counties from the Niagara Frontier Region to the North Eastern Region:

*In New York - Cayuga, Genesee, Livingston, Monroe, Ontario, Orleans, Steuben, Seneca, Wayne, Wyoming, and Yates counties.*

**Current Version:** as noted in the current EHB, Section A 8.1, page 7, item “I”

**Revised Version:** to be noted in the current EHB, Section A 8.1, page 8, item “J”

**Rationale:** The counties listed above have been known for many years as the Lakeshores Division of the NFR. In recent years the Division ‘s connection to the NFR has become increasingly tenuous due to Increased travel difficulty across the U.S.-Canada border since 9/11.

Some time ago it was learned that the members of the LSD desired to join the NER, a contiguous, U.S.-based region, rather than remain as part of the NFR.

The attached petition from the members of the Lakeshores Division requests and supports this move. The attached portion of the NER Executive Minutes from October 16, 2016 supports this move. The attached portion of the NFR minutes from its most recent meeting also supports this move. (These documents are in the hands of the NMRA Secretary.)

**ACTION: PASSED**

**ATTACHMENT F**

Text of **MBOD17021811**

Agenda Motion # 3 Dues Increase Motion

Meeting Minutes Motion # MBOD17021811

(To be entered by the Secretary)

Motion for Regulations NA

Motion for EHB Section NA Paragraph

Motion for Policy NA

Motion: CFO Koch recommends a dues increase for US members of \$3.00 (\$44 to \$47, plus optional magazine), effective September 1, 2017. Further, the CFO recommends an increase in dues for Student (\$38 to \$40, includes magazine), Family (\$9 to \$10), and Sustaining (\$116 to \$120, includes magazine) members. The Monthly Draw for Life members from the Life Service Obligation Fund will be adjusted in parallel with this change. No change is recommended for Rail Pass.

Rationale: The last dues increase (+\$5) was effective January 2012 after 3 years at \$39. This proposed change will come 5.7 years after the last increase and reflects the change in the CPI as specified and limited by the Regulations.

CPI in December 2011	222.166	Base	\$44.00
CPI in December 2016	235.390	+\$2.61	
CPI in January 2017 (pub. 2/15)			
CPI in TBD 2017 (note)	237.314	+\$3.00	\$47.00

Note: The month in which the CPI reaches 237 will become the new base period.

A dues increase was considered at the time of the last BOD meeting and deferred. The CPI has increased significantly in the past six months, and it is expected to continue to rise. A rise of only 2 points or 0.8% at any time over the next seven months will move the CPI enough to warrant this increase.

September 1, 2017 is the soonest month we can both advertise the change and make changes to the forms, website, and renewal forms.

I expect to see a large number of early renewals as soon as this change is announced. We may also see a decrease in membership as "cost" is often cited as an amorphous reason for non-renewal. We have already seen a shift away from magazine subscriptions after the rate increase of last year.

This action can occur in open session.

**ACTION: PASSED**

**ATTACHMENT G**

Text of RBOD17021801

**Resolution to honor CDD Pete Magoun, MMR**

**Whereas Pete Magoun, MMR**, has served as Central District Director of the NMRA,

**And Whereas** Pete has expended extraordinary hours of effort on behalf of the membership in the discharge of his duties as Director,

**And Whereas** he has sacrificed his personal and hobby “life” in service to the NMRA,

**And Whereas** that service has been distinguished and has materially advanced the mission of the NMRA

**Now, Therefore**, The Board of Directors of the NMRA hereby acknowledges and expresses its appreciation for the many contributions of Pete Magoun, MMR, to the NMRA.

## ATTACHMENT H

### Retention and Recruitment Power Point Discussion

ALNAD Peter Youngblood, MMR

Many of the issues he surveyed are the same as in Gerry Leone's 2011 survey and some are new.

Some of the things that can be done to improve Retention and Recruitment are:

- i) A free NMRA scale appropriate standard gauge when a member signs up for his first full year of membership.
- ii) Twice a year, the NMRA reimburses each Region \$1 for every member in the Region. Currently, it is recommended that the Region return 50% of that to the Divisions. He recommends that the Regions return 75% of that money to help the Divisions (per R&R Guidebook).
- iii) Improve the website content awareness.
- iv.) Disclosure of annual Financial Summary not only as posted to the website, but additionally in print in the NMRA Magazine and eBulletin.
- v.) Propose NMRA National adopt an annual \$7500 budget line item providing \$50 as a once-per-annum-per-Division matching fund for Divisions requesting, with validation, help to purchase hands-on clinic materials.
- vi.) Suggest NMRA National solicit arts & crafts, electronic parts, beauty supply companies etc., for discounts as tangible member benefits, shops where we all buy supplies.