

BOD Minutes
2006 Annual Meeting
29 June – 1 July 2006

1. President Roberts called the meeting to order at 7:32pm, 29 Jun 06.
2. The board observed a moment of silence for Ben Pearlman.
3. The roll was called. All were present except Treasurer Draper.
4. MBOD-060601: ATLD Park moved that the minutes of the previous meeting be approved as corrected. Motion passed on a voice vote.
5. At 7:49 pm the meeting was adjourned to 9:30am, 30 Jun 06, to allow for the directors' caucus and the operations meeting. The board would start with executive session at 8:30am.
6. The meeting was reconvened at 9:55am, 30 Jun 06.
7. MBOD-060602: ALNAD Getz moved approval of the consent agenda, consisting of officer, director, and committee reports. Motion passed on a voice vote.
8. ADM Hendricks had no additions to her report.
9. On behalf of the Kalmbach Memorial Library, ADM Hendricks urged everyone to get their copies of the new freight car book.
10. MSPDM Wescott reminded everyone that she needed help in the membership booth during the trade show.
11. PDM DeYoung had no additions to his report.
12. SCDM Voss presented additions to his report.
 - a. Discussion is still ongoing regarding the non-consideration of current non-conforming products when setting new standards and recommended practices.
 - b. There are two recommended practices, 9.2.1 and 9.2.2, changes for which are being recommended to the board.
 - c. The department will be asking for two resolutions. One involves articles (as opposed to reviews) covering products without Conformance Warrants, the other involves manufacturer self-certification for Conformance Warrants.

13. A discussion was held regarding the need to revise the board's motion submission policy.
14. President Roberts reported that the Kalmbach Memorial Library has an opportunity for a new book project. Walther's will not be running a second printing of Dean Freytag's steel book, and the NMRA has acquired the rights to do so. Note that this is a second printing, not a second edition; there will be no changes except on the title page and the addition of brief text referencing the NMRA. There is a potential drawback – no electronic copies of the book are available, and the NMRA will need to sell roughly 750 books.
15. MBOD-060603: CDD Thornton moved that up to \$24,000 from the Heart of America Fund be authorized for upfront costs of reprinting the Freytag book. Motion passed on a voice vote.
16. CDD Thornton raised the possibility of reprinting the automobiles book from the same series. The consensus was that even if there was a potential market and the book was available, the NMRA currently does not have the resources to make this happen.
17. MBOD-060604: ALNAD Getz moved that up to \$12,000 from the Heart of America Fund be authorized for upfront costs of printing the freight car book. Motion passed on a voice vote.
18. President Roberts provided an update on behalf of the Howell Day Museum Committee. The committee has been meeting with the designers for the gallery at the California State Railway Museum. This will be a discussion point at Sunday's meeting of the committee. Potential costs for remodeling the building are \$350 to \$450 per square foot, for an area of 3,000 to 4,000 square feet. Although the NMRA will not be responsible for all of this cost, we will probably need to run fund-raising programs in order to pay our share. The ultimate goal is to have the museum active in time for our annual convention, in Sacramento, in 2011.
19. Secretary Liesse pointed out that, according to the Regulations, the Secretary is responsible for issuing Conformance Warrants. He has delegated this authority to the Standards & Conformance Department.
20. MTSDM Jordan noted that there were currently in the neighborhood of 1,150 registrants for this year's convention. This number is fiscally neutral, such that we don't expect to lose money.
21. MTSDM Jordan discussed some finance-related business issues regarding conventions. He asked for possible policy changes from the board.
22. There was a general discussion regarding AV-related work rules at this year's convention.
23. There was a general discussion regarding the length of conventions.

24. At 11:27am, the meeting was adjourned to 1:30pm.
25. The meeting reconvened at 1:40pm.
26. There was a discussion regarding the three clubs granted Life Member status years ago. There is no provision in the Regulations for this, but these clubs were instrumental in the founding of the NMRA and deserve consideration. ALNAD Getz will discuss with HCC Pollock the possibility of these three clubs being awarded Honorary Life Member status.
27. ACC Thornton reported that since his report was submitted he had received the auditor's opinion, which was favorable.
28. ALNAD Getz reviewed the content of the Strategic Plan finalized in March.
29. MBOD-060605: ALNAD Getz moved that the Board of Directors adopt the Strategic Plan and implement it as presented, with the understanding that a number of potential changes remain. Motion passed on a voice vote.
30. The meeting was recessed at 2:38pm.
31. The meeting was reconvened at 3:04pm.
32. The meeting was recessed at 3:09pm for a directors-only executive session.
33. The meeting was reconvened at 3:15pm.
34. ALWWD Koester led a discussion regarding a new logo for the NMRA. The first question is whether or not a new logo should be adopted; the second question is what a new one should be. Some samples were displayed. The board was asked to ponder the question until the mid-year meeting.
35. WDD deBlieck raised the question of whether the RailPass membership program should be continued. The current program seems to be working well, although there was some discussion on whether it was being used properly (the original intent was for this membership to be offered to someone who absolutely would not join at another level; instead, it is frequently being used as a first offer). The general feeling was that the program should be continued for another year, and the number of sales and renewals tracked carefully. No motion was offered to make this happen.
36. The board discussed a letter received from PNR President Seaver, expressing some general dissatisfaction with certain board actions or lack thereof. Practically all of the points in the letter were refuted, and RACD Ferguson was directed to respond on behalf of the board. In the course of the discussion, it was brought out that members still believe they have no representation and don't know how to bring issues to the attention of the board. The fact that they can (a) go through their regions, through the RAC, or (b) contact any director or officer directly, needs to be re-publicized.

37. MBOD-060606: CDD Thornton moved that the board approve the appointments of Bob Gangwish as Secretary and Tom Draper as Treasurer. Motion passed on a voice vote.
38. There was a general discussion regarding the dues paid by members residing in the Australasian Region, the British Region, and Canada, as opposed to the dues paid by other members. No conclusions were reached.
39. At 4:51pm the meeting was adjourned to 8:30am, 1 Jul 06.
40. The meeting was reconvened at 8:41am, 1 Jul 06.
41. President Roberts reported that the current estimate is that the Association is in a deficit position of approximately \$20,000 as of the start of the convention. This does not, however, take into account gifts from the Mid-Central Region and from Mid-Central Region Division 7, totaling about \$30,000. It looks as if the Association will finish the fiscal year with a slight surplus.
42. EDD Feeney, director member of the Finance and Budget Committee, reviewed the proposed budget, developed in early May by the Finance and Budget Committee.
43. The meeting was recessed at 10:07am.
44. The meeting was reconvened at 10:42am.
45. MBOD-060607: ALNAD Getz move to approve the budget with the proviso that income and expenses for the convention and the train show are split, rather than being shown as a net figure. Motion passed on a voice vote.
46. There was a general discussion on the formats of the budget and the financial reports.
47. There was a general discussion on the need for risk management, key personnel backups, and data backups.
48. MBOD-060608: PDD Jensen moved that upon election new officers and directors be put into the routine communications channels in order to be brought up to speed on Association issues before attending their first meeting. Motion passed on a voice vote. *[Secretary's note: the full text of this motion is available in Appendix B to these minutes.]*
49. MBOD-060609: ALNAD Getz moved to accept the officer, director, committee, and department reports. Motion passed on a voice vote.
50. MBOD-060610: ALNAD Getz moved to approve the changes to RP 9.2.1 and RP9.2.2 proposed by the Standards & Conformance Department. Motion passed on a voice vote.

51. HCC Pollock pointed out that there is no written procedure, policy, or qualifications relating to the Pioneers Award. It was agreed that such written guidelines should be put in place. HCC Pollock will draft a proposal for the 2007 midyear meeting.
52. HCC Pollock announced that the HLM plaque for Ben Pearlman had been delivered to his family. Some family members *may* attend the convention and banquet this week, in which case the plaque will be re-presented to them in a public ceremony.
53. An HLM plaque was awarded to ALNAD Charlie Getz, who was unable to remain at the convention due to other commitments.
54. At 11:22am the meeting was adjourned to 1:30pm.
55. The meeting was called to order at 1:39pm.
56. There was a general discussion regarding the authority to issue refunds of convention registrations. The officers were tasked with discussing the issue with Treasurer Draper, to allow a designated individual within the Convention Department to maintain a small account for this purpose and to have the authority to write checks on the account.
57. Jim Lees, President of Partners with Youth, Inc., gave a presentation on a television series his organization is developing, "GREAT Train Kids." This series is based on a successful series of books intended to lead at-risk young people to reach their greatest potential.

[Secretary's note: the full text of the following four resolutions can be found in Appendix B of these minutes.]

58. RBOD-060601: ALWWD Koester moved this resolution affirming that the existence of, and effect on, non-conforming products need not be a consideration in the development of standards and recommended practices. There was a substantial amount of discussion on the concept. Resolution passed 7-2 on a roll call vote:

Voting yes: ALNAD Getz, ALWWD Koester, ATLD Park, CAND Kooning, CEND Thornton, EDD Feeney, and RACD Ferguson.

Voting no: PACD Jensen and WDD deBlieck.

59. RBOD-060602: ALWWD Koester moved this resolution establishing a program whereby manufacturers will be allowed to self-certify their conformance with applicable standards and recommended practices (with safeguards to prevent abuse). Resolution passed on a voice vote.
60. RBOD-060603: ALWWD Koester moved this resolution regarding the publishing in *Scale Rails* of reviews of products not conforming to NMRA standards and recommended practices. Resolution passed on a voice vote.

61. RBOD-060604: ALWWD Koester moved this resolution regarding risk management, continuity plans, and similar topics. Resolution passed on a voice vote.
62. The members of the Board expressed their thanks to President Roberts for his 6 years of executive service to the NMRA.
63. At 3:42pm the meeting was adjourned in memory of Brad Draper and Ben Pearlman.

Respectfully submitted,

David S. Liesse
Secretary

APPENDIX A
ABBREVIATIONS USED IN THE MINUTES

ADD	Atlantic District Director
ADM	Administration Department Manager
ALNAD	At-Large North America Director
ALWWD	At-Large Worldwide Director
CAND	Canada Director
CDD	Central District Director
EDD	Eastern District Director
HCC	Honors Committee Chair
HLM	Honorary Life Member
MSPDM	Membership Services & Promotion Department Manager
MTSDM	Meetings & Trade Shows Department Manager
PDD	Pacific District Director
PDM	Publications Department Manager
RACD	Regional Advisory Council Director
SCDM	Standards & Conformance Department Manager
WDD	Western District Director

APPENDIX B
FULL TEXT OF MOTIONS, RESOLUTIONS, AND RP UPDATES

MBOD-060608

The Pacific District Director moves to add the following text as Article III, Paragraph 28 of the Regulations:

Upon certification by the Secretary that an election is complete:

- A. The officer-elect or director-elect will be provided with a written summary of the fiduciary responsibilities of someone in such a position.
- B. The officer-elect or director-elect will sign and return to the Secretary a confidentiality agreement. This agreement will signify an understanding of, and bind the officer-elect or director-elect to, said fiduciary responsibilities.
- C. Upon receipt of the signed agreement, the Secretary will arrange for the officer-elect or director-elect to be included in the normal channels of communication of officers and directors. The officer-elect or director-elect will be free to take part in any discussions of the Board of Directors, but will not have the authority to take any action reserved to sitting members.

RBOD-060601

Whereas one purpose of the NMRA is to assemble, define, set up, investigate, publish, and encourage the use of Model Railroad Standards for better interchange and operation of model railroad equipment; and

Whereas another purpose of the NMRA is to promote closer understanding and cooperation among model railroad manufacturers, distributors, dealers, publishers, consumers, and the general public; and

Whereas the NMRA has established a set of Standards and Recommended Practices (RPs) publications that ensure interoperability of model railroad equipment for the benefit of the consumer; and

Whereas several manufacturers have elected to develop products that do not conform to NMRA Standards and RPs; and

Whereas these non-conforming products will severely limit the advancement of Standards and RPs if the NMRA is required to accommodate these non-conforming products in the Standards and RPs; and

Whereas accommodating non-conforming products in the Standards and RPs discourages manufacturers of conforming products to continue their cooperation with the NMRA at considerable expense; and

Whereas accommodating non-conforming products in the Standards and RPs will provide no incentive to the manufacturers of non-conforming products to change their products;

Now therefore be it resolved by the Board of Directors of the National Model Railroad Association that:

It is the policy of the NMRA to continue the development of Standards and Recommended Practices without regard for existing non-conforming products; and

The Standards & Conformance Department is directed to fulfill this policy.

RBOD-060602

Whereas one purpose of the NMRA is to inspect and certify the conformance of model products to NMRA Standards and Recommended Practices; and

Whereas this program of certification is one of the key missions of the NMRA; and

Whereas the timing of inspection and certification by volunteers in the Standards & Conformance Department causes significant delays in the development of packaging and literature by the manufacturer; and

Whereas several manufacturers are reluctant to submit products for conformance inspection due to confidential information being revealed prematurely by people outside the control of the manufacturer; and

Whereas as a result of the problems stated above the submittal of products for inspection and the issuance of Warrants has fallen significantly from 94 in 1998 to 10 in 2005, and 2006 will show fewer than 20 Warrants being issued based on current trends;

Therefore be it resolved by the Board of Directors of the National Model Railroad Association that:

It is the policy of the NMRA to allow manufacturer self-certification of products in conformance with NMRA Standards and Recommended Practices;

The Standards & Conformance Department will establish a program of monitoring this self-certification by having the manufacturers submit letters announcing this certification and signed by a responsible person of the manufacturer;

The Standards & Conformance Department will acknowledge this self-certification by assigning a Warrant number to the product; and

The Standards & Conformance Department still has the authority to check the product for conformance and to refuse to issue a Warrant number or to withdraw the Warrant number if the product is found to be non-conforming.

RBOD-060603

Whereas review articles in *Scale Rails* have been restricted to those products that pass all applicable Standards and Recommended Practices established by the NMRA; and

Whereas the desire of *Scale Rails* and the Standards and Conformance Department is to provide more information to NMRA members;

Now therefore be it resolved by the Board of Directors of the National Model Railroad Association that it is the policy of the NMRA to allow *Scale Rails* and the Standards and Conformance Department to develop and publish reviews of products that do not necessarily conform to NMRA Standards and Recommended Practices.

RBOD-060604

Whereas recent events have shown that the NMRA may be vulnerable to significant risk owing to loss of the ability of key personnel to carry out their duties; and

Whereas the NRMA needs a continuity plan for all key personnel; and

Whereas the Board of Directors is legally required to continuously assess the financial status of the NMRA,

Now therefore be it resolved that:

The Board requires written quarterly financial reports from the Office of the Treasurer at the end of each financial quarter in a timely manner, to wit, by the end of the month following the end of the quarter; and

The Board requires that a standardized accounting system, readily employed by any qualified accountant, be used to prepare all financial reports and the budget, and that a plan to implement these procedures by FY 2008 be presented at the mid-year (2007) Board of Directors meeting.