

Hudson Berkshire Division

Northeast Region

National Model Railroading Association

www.hudson-berkshire.org

trains@hudson-berkshire.org

March 20, 2013

Charlie Getz
National Model Railroad Association, Inc.
4121 Cromwell Road
Chattanooga, TN 37421-2119

Dear President Getz:

I have been reading your *President's Car* column with great interest recently. In response to your challenge in the January 2013 issue, I felt it was necessary to provide our membership with some observations from those of us "in the trenches".

I am the president of the Hudson Berkshire Division, Northeastern Region. Our division is geographically large and diverse, covering parts of three states, New York, Massachusetts and Vermont. This puts me in the unique position of having many constituents from very different areas and walks of life. In the January 2013 column you ask why the NMRA attracts only 10% of the serious model railroaders out there. You then proceed to enumerate three possible reasons and your response to those reasons. I am loath to wade into controversy but I feel that, as an officer and member, it is my duty to do what I can to make our organization better. I don't intend to counter your arguments point for point, there is some validity in the claims you make, but I feel you are addressing symptoms rather than root causes. In my many discussions with members and non-members alike, one reason comes through time and time again and it is one that the National, can and should address; a lack of fiscal transparency and accountability. This has been stated to me in a hundred different ways, for example:

- Why have my dues risen nearly 100% since 2005?
- Whatever happened to that big donation one of the Midwest regions made to modernize the database? (Feel free to insert any number of things here, donations to the Howe Day Museum, Diamond club monies, etc.)
- It seems as soon as I joined I got a letter asking for more money, jeez I just paid. (We all realize the necessity of nearly non-stop fund raising)
- What do I get for my dues money?

Granted, many of these questions, while legitimate, come from current members, but make no mistake; non-members hear this and decide that their money is better spent with other, more accountable, organizations. Current members also decide not to renew based on these considerations.

As a Division President, I am tasked with a number of duties, not the least of which is recruiting of new members and the retention of current members. Not being able to tell members or prospects what happens to their dues and donations is a significant problem, one which leads to the symptoms of "old boy network, aka insiders" or "political". If there is even the slightest perception that our dues are not going to the betterment of the organization, then people will jump to all sorts of conclusions, all of them bad, and none of them conducive to joining or remaining a member of said organization.

The solution is simple; provide the members with an accurate accounting of our funds, where they come from, where they go and on what they are spent. Does this require an annual report with all its attendant details? Perhaps, but even a pie chart published quarterly on the website and in the NMRA Magazine will go a long way towards removing this objection. In turn this will help remove the perception that there is a group of “insiders” calling the shots for their own benefit. Now I know that there is no such group, but perception is reality out here.

In the same January article, you address those who do not “like” the NMRA and ask “what harm have we done?” You rightly state that the NMRA has not now, nor has ever, done any harm to the hobby, and its relentless pursuit of standards has benefited us all. This is true, and as an NMRA member and supporter, I am most grateful for those standards. But as you know, the concept of standards is esoteric at best. Many of the people I talk to feel that now that the standards are in place, most manufacturers would be crazy to avoid or circumvent them. The world being what it is might give rise to doubt that statement, but it is true that standard setting does have a reduced role. The NMRA should acknowledge this. Not abandon the setting and enforcement of standards but properly frame this activity in relation to our goals as an organization. I personally believe the NMRA can and should be about more than standards. It should be about more than fellowship, it should be about our hobby as a whole and all its diversity. Think about successful organizations, AARP, AMA, IPMS. What can these groups teach us? They each offer their members benefits that are real and tangible. We are all aware of the discounts that the American Association of Retired Persons (AARP) offers, their lobbying efforts on behalf of their members and other benefits. You may not be aware that that the AMA I refer to is the Academy of Model Aeronautics, an organization of over 150,000 model airplane enthusiasts, and the International Plastic Modelers Society (IPMS) has over 220 active chapters in the US alone. I’m not saying we need to be any of these groups, but the NMRA should study these organizations and others like them and use the best practices of each to benefit us. For example:

- Can the NMRA offer a discount at Walthers or any of the major manufacturers/retailers for members a la AARP?
- On a more technical/organizational level, why not a group at the National level to help Divisions organize as non-profits? A benefit provided by the AMA.

I’m sure we can come up with many more. As a side note regarding the second item; I know from personal experience that setting up my Division as a non-profit was arduous and time consuming and we did it without the benefit of experience that both the National and Region could have provided. This is simply wrong, and leads us back to the perception that the National does not care about the members.

The bottom line is that the National organization, really the entire organization, needs to re-invent itself to become more relevant to both its members and the hobby. Love it or hate it, the recent redesign of our logo was a step in the right direction. I often hear people discussing the decline/demise of our hobby, something I don’t personally believe. The hobby is changing, as does everything and the NMRA needs to change and adapt or be left behind. In the February NMRA magazine, you touched upon some of this with your call to focus our efforts on an older demographic. While I may not fully embrace this change - we should still be reaching out to youth despite being constantly rebuffed - this is the type of change that can help and should be explored. On the other hand, having us “sell” the NMRA as a non-profit akin to the United Way is both a disservice to us and them. We are very different organizations with very different missions. Can we take some best practices from the United Way, absolutely; should we represent ourselves as a charity organization that helps those less fortunate? I would be very leery. We should instead be “selling” our group as beneficial to both our members and the greater hobby alike.

These are, of course, just my thoughts and observations based on my experience as a Division President. I do not claim seer status. I do, however, feel that our organization is stagnant and in decline and it is up to all of us to reverse this trend. As a leader in this organization, it is my responsibility to set tone and direction – Mr. Getz it is incumbent upon you to do the same at the National level. The members feel abandoned by the

policies of the National, and while many good things are happening, you must be diligent in providing meaning and value to our members. From a Divisional standpoint we feel that we have no voice in our organization. Our regions do not always pass our concerns “up the line” and the manner in which the NMRA is organized leads us to be a loose confederation of groups as opposed to a unified whole.

I support the NMRA and feel that it is a worthwhile organization. I give both time and money because I believe in its mission, but I also know it is an organization with issues, it is an organization that is not living up to its potential. It is an organization that means well but suffers from a byzantine operation and an inability to re-imagine itself.

Thank you for your time and I look forward to your response to this heartfelt letter. We will be publishing this missive and, hopefully, your answers in our monthly newsletter, the *Form 19*.

Respectfully,

Paul Hoffman

President

From: [Charles Getz](#)
To: [Hudson Berkshire Division](#); [George Scooter Youst](#); [BillBrown](#)
Cc: [mike brestel](#); [nmra board/officers nmra](#); [Bob Amsler](#); [Gerry Leone](#); [Page Martin- Arbour Models](#)
Subject: FW: Letter from Berkshire Valley Div NER
Date: Monday, March 04, 2013 8:14:23 PM
Attachments: [dues dollar-type.jpg](#)
[So where do my dues go- v2.doc](#)
[MatrixJune2012.pdf](#)
[Letter to President Getz.docx](#)

Gentlemen,
Attached is my response and some items of interest to your letter. My response is attached as "Letter to President Getz". Thanks for sending it. Gerry Leone, Frank Koch and Mike Brestel helped me on the responses. Would love to see what you print.
Thanks, Charlie Getz.

March 20, 2013

Charlie Getz
National Model Railroad Association, Inc.
4121 Cromwell Road
Chattanooga, TN 37421-2119

Dear President Getz:

I have been reading your *President's Car* column with great interest recently. In response to your challenge in the January 2013 issue, I felt it was necessary to provide our membership with some observations from those of us "in the trenches".

Thanks Paul. Appreciate it and my answers are in blue below. I must note that some of the questions have been previously addressed in articles in the NMRA Magazine so I am a bit surprised to be asked about them. But there is no problem in repeating the information. Hope it helps. We *are* reinventing and modernizing ourselves! We look forward to your help in that effort.

I am the president of the Hudson Berkshire Division, Northeastern Region. Our division is geographically large and diverse, covering parts of three states, New York, Massachusetts and Vermont. This puts me in the unique position of having many constituents from very different areas and walks of life. In the January 2013 column you ask why the NMRA attracts only 10% of the serious model railroaders out there. You then proceed to enumerate three possible reasons and your response to those reasons. I am loath to wade into controversy but I feel that, as an officer and member, it is my duty to do what I can to make our organization better. I don't intend to counter your arguments point for point, there is some validity in the claims you make, but I feel you are addressing symptoms rather than root causes. In my many discussions with members and non-members alike, one reason comes through time and time again and it is one that the National, can and should address; a lack of fiscal transparency and accountability. This has been stated to me in a hundred different ways, for example:

Why have my dues risen nearly 100% since 2005?

Dues are limited to changes in the CPI since 2004. The dues in 2005 were \$33 and today they are \$44. The CPI change covering these two dues periods was 30.3% and the change in dues was 33% (we round up to the next nearest dollar), so dues did not rise 100% over this period.

We are specifically limited in the regulations to CPI changes and BOD approval for dues (Subscriptions can be set to recover costs, but we choose to operate a slight deficit and cover the difference via the non-dues programs.) Even with the dues increases, dues do not cover operational costs and we cover the deficit via non-dues income

Whatever happened to that big donation one of the Midwest regions made to modernize the database? (Feel free to insert any number of things here, donations to the Howe Day Museum, Diamond club monies, etc

- These were mostly MCR donations and mostly from Division 7. One donation moved the database to a PC platform (1994) and a later donation (2005) modernized the database within the existing FoxPro system to provide a more stable database. We did not change databases as we did not have sufficient funds to do so (estimated at \$150-200K). We are in the same position as many other small to medium sized non-profits since Microsoft no longer supports FoxPro. There are no commercial database programs that meet the needs of this size organization. We are in regular discussions with other non-profits who are in the same situation. Our IT department is working with HQ to find commercial software that will meet our needs at an affordable cost.

- Donations to the Diamond Club are kept separate from all other NMRA funds. Some portion of the donations were used to set up the system and website. All the donations have been used to scan documents, drawings, photos, and slides...all of which are available for purchase on the online archives. No dues money has been used and no Diamond Club funds have been diverted to other uses.

It seems as soon as I joined I got a letter asking for more money, jeez I just paid. (We all realize the necessity of nearly non-stop fund raising)

This year we have seen an unusual number of fundraising requests. Normally we have two; for the calendar and a general fundraising effort. Both are very successful. But we added a once-every-5-year fundraiser for life members, the Diamond Club for scanning and the Gallery exhibit. So you are right! It seemed like a lot. Understand, these fundraising efforts appeal to different audiences within NMRA. So there is not a great overlap in the funds received. AARP sends fundraising letters out once a week! But it was a lot and this is not typical

What do I get for my dues money?

To best answer this, I'm attaching the "where do my dues dollars go?" article Gerry Leone did for the NMRA magazine a few years ago, along with a graphic. This ran in early 2010, so the percentages may be slightly off. But it was only 3 years ago that it ran. People who ask this puzzle me. You get out of the NMRA what you put into it. We are a non-profit so we do not "give stuff". But your model railroad would not operate without us. You could not become a MMR without us. We need your support. Do you ask what you get when you support other non-profits? We are spreading the word about the hobby. We are doing our best to insure its health for a long time.

I'm also attaching the latest version of the "Member Benefits matrix." If he needs to show someone what they're getting for their money, this is the ticket. That gets run 3x a year in the magazine.

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Granted, many of these questions, while legitimate, come from current members, but make no mistake; non-members hear this and decide that their money is better spent with other, more accountable, organizations. Current members also decide not to renew based on these considerations.

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acknowledge this. Not abandon the setting and enforcement of standards but properly frame this activity in relation to our goals as an organization. I personally believe the NMRA can and should be about more than standards. It should be about more than fellowship, it should be about our hobby as a whole and all its diversity. Think about successful organizations, AARP, AMA, IPMS. What can these groups teach us? They each offer their members benefits that are real and tangible. We are all aware of the discounts that the American Association of Retired Persons (AARP) offers, their lobbying efforts on behalf of their members and other benefits. You may not be aware that that the AMA I refer to is the Academy of Model Aeronautics, an organization of over 150,000 model airplane enthusiasts, and the International Plastic Modelers Society (IPMS) has over 220 active chapters in the US alone. I'm not saying we need to be any of these groups, but the NMRA should study these organizations and others like them and use the best practices of each to benefit us. For example:

Can the NMRA offer a discount at Walthers or any of the major manufacturers/retailers for members a la AARP?

We are working on just such a program but not just Walthers! Perhaps other non-model railroad vendors we all use. Stay tuned!!

On a more technical/organizational level, why not a group at the National level to help Divisions organize as non-profits? A benefit provided by the AMA

First, just this past year Gerry Leone helped set up the "Region/Division Promotion Banner" program – a professionally designed banner template, a printer contact, and a good price. The Region/Division simply sends its name and logo to the printer, they drop it into the template and produce a high-quality banner in a few weeks. No, it's not setting Divisions up as a 501(c)3, but hey, we only have 4 paid employees and a mess of volunteer help, so this is a pretty good service we've provided Divisions and Regions..

More importantly we are working on a way to almost *instantly* make all regions/divisions 501©3's but there are a lot of details to work out before we can launch it AND you maintain 100% control over your programs and your money. It is incredible; it is coming and it will be great!!

I'm sure we can come up with many more. As a side note regarding the second item; I know from personal experience that setting up my Division as a non-profit was arduous and time consuming and we did it without the benefit of experience that both the National and Region could have provided. This is simply wrong, and leads us back to the perception that the National does not care about the members.

The bottom line is that the National organization, really the entire organization, needs to re-invent itself to become more relevant to both its members and the hobby. Love it or hate it, the recent redesign of our logo was a step in the right direction. I often hear people discussing the decline/demise of our hobby, something I don't personally believe. The hobby is changing, as does everything and the NMRA needs to change and adapt or be left behind. In the February NMRA magazine, you touched upon some of this with your call to focus our efforts on an older demographic. While I may not fully embrace this change - we should still be reaching out to youth despite being constantly rebuffed - this is the type of change that can help and should be explored. On the other hand, having us "sell" the NMRA as a non-profit akin to the United Way is both a disservice to us and them. We are very different organizations with very different missions. Can we take some best practices from the United Way, absolutely; should we represent ourselves as a charity organization that helps those less fortunate? I would be very leery. We should instead be "selling" our group as beneficial to both our members and the greater hobby alike.

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Divisional standpoint we feel that we have no voice in our organization. Our regions do not always pass our concerns "up the line" and the manner in which the NMRA is organized leads us to be a loose confederation of groups as opposed to a unified whole.

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Thank you for your time and I look forward to your response to this heartfelt letter. We will be publishing this missive and, hopefully, your answers in our monthly newsletter, the *Form 19*.

Thanks Paul. Note there are attachments for you to look at as well. Charlie Getz.

Respectfully,

Paul Hoffman

President

From: [Charles Getz](#)
To: ["George Scooter Youst"](#); ["BillBrown"](#); [Hudson Berkshire Division](#)
Cc: ["mike brestel"](#); ["nmra board/officers nmra"](#); ["Bob Amsler"](#); ["Gerry Leone"](#); ["Page Martin- Arbour Models"](#)
Subject: RE: Letter from Berkshire Valley Div NER
Date: Tuesday, March 05, 2013 12:16:40 AM
Attachments: [image001.png](#)
[image001.png](#)

Geez guys!! 20 questions???? OK -- see below. Thanks Paul, Charlie.

--- On **Mon, 3/4/13, Hudson Berkshire Division**
<hudson.berkshire.nmra@gmail.com> wrote:

From: Hudson Berkshire Division <hudson.berkshire.nmra@gmail.com>
Subject: RE: Letter from Berkshire Valley Div NER
To: "Charles Getz" <charliegetz@yahoo.com>, "George Scooter Youst" <gyoust@mac.com>, "BillBrown" <larcproducts@yahoo.com>
Cc: "mike brestel" <nmrapres@zoomtown.com>, "nmra board/officers nmra" <nmrabodandofficers@googlegroups.com>, "Bob Amsler" <ramsler@me.com>, "Gerry Leone" <gerryleone@earthlink.net>, "Page Martin- Arbour Models" <Page.Martin@ArbourModels.com>
Date: Monday, March 4, 2013, 7:17 PM

President Getz,

Thank you for your prompt reply, it is most appreciated!

One small thing, we are the Hudson Berkshire Division not the "Berkshire Valley". Small point, but important to us. SORRY

We will publish the letter and your responses in their entirety. The chart, which I didn't recall (a mind is a terrible thing), will also be published along with Mr. Leone's article. The benefits page, which as you point out runs in the NMRA Magazine frequently and has been reprinted in our newsletter several times, will not go in this time. I would also like to include your response to the follow up questions below and lastly your thoughts on the transparency question and your idea of the "perfect NMRA". I will make sure that you receive a copy of the newsletter pre-publication, if you'd like. We can also place you on our mailing list (it is opt in btw) so you can receive our newsletter. OK

I am VERY excited regarding the 501 changes you mentioned and while it would have been great, if the budget allowed, for each Division to receive a banner at no cost, the offer and deal were welcome. As an aside, we had procured this type of marketing material before

this, we also provide professionally printed Division brochures and we have a “traveling road show” that goes to Train shows in the area. It contains banners, flyers, handouts, cords, tablecloths, etc. basically all the things you would need to promote our Division at a show. Throw in a few bodies who can reasonably speak the English language and you have a great recruiting tool.

The move to Constant Contact will be great too. We have used this tool extensively and nearly half of our membership gets the Form 19 newsletter through CC and our website.

I am also glad to hear that we are at least exploring options in regards to the Database. The current system is antiquated at best and our secretary/treasurer spends upwards of two hours a month integrating the spreadsheets we receive into our Access database for the Division. I know he, and I, would much prefer an online system that would allow us access to create mailing labels and email lists for both our newsletter and for keeping in touch with our members. This sort of controlled access would also help with address, both email and regular, updates. We send emails off to the wonderful staff with our updates as the members report them to us. The recent move to an online form should help with this and we are glad to see it.

We do have a few follow-up questions if I may?

- While the chart Mr. Leone has provided goes a long way towards answering many members and perspective members questions, there is still the nagging and persistent question of accounting for “non-dues” money/donations. Perhaps a breakdown of monies received vs. incurred costs and projected costs for things like the Museum exhibit, the Diamond club and the other good works the NMRA does is in order? Is this covered in an annual report? Is this report available to the members? Paul, all of our budget and financials are available for inspection and soon will be posted on our website. We keep meticulous books and each fund is accounted for.
- Could you elaborate on the recent removal of Miles Hale as ALNA? I have read the blurb on the website and my, albeit, limited, understanding of the Executive Handbook (i.e. Regulations) indicates that Mr. Hale has been restricted from holding any Office in the NMRA. If this is true I would think that the members who voted for him (in terms of complete transparency, I was not one of those) would deserve a somewhat more detailed explanation for the severity of this penalty. Please bear in mind that I have absolutely no knowledge of the facts or particulars surrounding this incident but the statement that there is a petition to the IRS being circulated by

some “disgruntled” members both alarms and concerns me. Why are they disgruntled? Is there a greater undercurrent of dissatisfaction flowing in the organization? The statement you read was all I know and I refer you to the NMRA counsel for details. I was not party to the discussion. Never heard anything about a so-called petition nor has anyone else.

- Stemming from that same article; I was somewhat dismayed to see that the Howell Day Museum is not a Federally approved 501c3 organization. I am sure there is some reasoning for all this but, and I sense you are seeing a common theme here, the members do need that reasoning explained. Sure we are!! The NMRA operates the Museum committee; there is as yet no HD Museum!! The Gallery exhibit is NOT a museum. However, we are forming a separate 501(c)3 for future museum purposes.
- Has there been any further discussion regarding the transfer of the Kalmbach Memorial Library collection to CSRSM? If so how will that affect the roughly .09 cents of every dollar currently being spend on the Library? I’m not sure if Mr. Leone’s breakdown of administrative cost includes the Building that houses the library or the staff working there. Will it improve our finical picture? Not sure either as to the breakdown but we continue to explore the possible administration of our library by CSRSM at a lesser cost to us as they do for other groups. No final decision yet and not sure if or when.
- In regards to the CPI and dues increase, thank you for that explanation, it makes sense. Might we take it a step further by announcing, clearly, that “due to an increase in the CPI, as provided for in the regulations, your dues will rise approximately \$X.XX next year” or something to that effect each time the dues are set to go up? Forewarned is forearmed and a pre-emptive statement with explanation will help. Sure -- tell me the CPI for 2015. That's the problem. We react to the CPI; not anticipate it!

What we in the Hudson Berkshire Division are asking for is a marked change in the way the NMRA has done business in the past. We are asking for a FAR (my emphasis added) greater level of transparency and openness. This, above all, will help eliminate the perception of “inside deals” and “old boys network” that holds our organization back from greater success and market penetration. But Paul -- we HAVE been open and transparent for years!! IOur BOD meetings are open; our minutes available; our reports summarized in the mag! What "inside deals " can you cite? I know of zero!!

You mention that - We are a non-profit so we do not “give stuff” – I must respectfully disagree. The NMRA does “give stuff”, much of it intangible, in the form of fellowship and some very tangible programs such as the Achievement Program, Standards and the Museum. In your next sentence you state “Do you ask what you get when you support other non-profits?” the answer is yes. We ask them what they are doing with the money they collect, we hold them accountable for their activities, we assure ourselves that the goals and directions of the organization are in line with our own or we do not support them any longer. It is imperative that we, as an organization, assure our current and future members that we have a direction and a goal in mind or all the marketing in the world won't sustain us for the long term. Good points and as a 75 yr old non-profit, we have an outstanding record of clean efficient operation. Direction? Grow scale model railroading!! And we are working on it. Prepare for the next step - Power on Board, NMRAnet, etc, etc.

It is high time to put the misconceptions and outright falsehoods about the NMRA to rest. As a Division President I implore you to be open and honest in all your dealings with the membership. We have a right to know everything that is going on that affects our organization, the good the bad and the ugly. The caveat I will add is “within the realm of the law”. There are, of course, things that the membership does not need to know, but these need to be the exception rather than the rule and the prime directive should be, to openly and honestly share all that we possibly can. It goes without saying that there needs to be a deliberative process that is free from pressure and ridicule, this I know. Not every idea brought up in conversation among my leadership team sees the light of day, but any decision that is rendered is explained, questions are answered and if need be, course changes are made. It would be Pollyannaish to believe that we will quell every naysayer or dispel all discontent, but those voices would be drowned out by the facts and the vast majority of the membership will appreciate being “in the know”. And I have been as honest and open as I can be as has my predecessor and his! Agreed.

I would like to thank you for your interest and for taking the time to thoughtfully respond to our Division.

Sincerely,

Paul Hoffman

From: [Hudson Berkshire Division](#)
To: "mbrestel"
Subject: RE: Letter from Hudson Berkshire Div NER
Date: Tuesday, March 05, 2013 9:34:56 PM
Attachments: [image001.png](#)

Hi Mike,

Your email got caught in the dreaded spam filter so I'm just reading it now.

Thank you for the information! Part of the problem, as I see it, is this information is scattered among various columns across the Magazine and website. Perhaps one central area or chart of progress to summarize this stuff would be helpful.

Just picture how many people and man-hours were needed to just answer my letter. Even I have a hard time keeping track.

In regards to the specifics of the museum, so much misinformation has been proffered around the endeavor (not by the National) that a clear accounting needs to be disseminated. I asked about an annual report and have been told that one is available, how would I go about getting a copy?

There is no reason that such a high profile and worthwhile thing such as this should not be trumpeted to the skies and in turn vetted in detail by the membership.

You are correct, it perplexes me too about the attitude that some of our members take. I'm a big fan of killing the complainers (well, not *killing* them) with the facts. It's hard for Joe Member to say the Museum squandered 100,000.00 when the financial records show the exact opposite. Let's get the facts out there and clobber this silly attitude.

Thanks again! And I also want to thank you for your service as President, your administration helped get the ball rolling on the new NMRA and I, for one, am glad to continue down that road under Mr. Getz.

Most sincerely,
Paul Hoffman

From: mbrestel [mailto:mbrestel@zoomtown.com]
Sent: Tuesday, March 05, 2013 1:39 AM
To: Hudson Berkshire Division; Charles Getz; 'George Scooter Youst'; 'BillBrown'
Cc: 'nmra board/officers nmra'; Robert Amsler; Gerry Leone; 'Page Martin- Arbour Models'
Subject: Re: Letter from Hudson Berkshire Div NER

Paul--

One of the areas about which you're asking questions is the Howell Day Museum (HDM), and I am catching the implication that there is something secretive, untoward, and fishy taking place with the HDM and its funds. None of this is true, and I am perplexed by the attitude concerning the museum shown by some of our members.

In March, 2007, part of my President's column was an outline of the course and the future of the museum. In the column I laid out to the fullest extend possible our goals and plans for the HDM.

In retrospect, the timetable for the establishment of the full museum was too optimistic. A large recession, as well as other issues beyond the control of the NMRA, has put us behind the ambitious schedule laid out in my 2007 column. So we're like Amtrak – late, but still chugging along on track.

But in every other respect we are doing exactly what we promised to do in 2007. For that matter we are doing what we promised we would do when the Museum was established in the late 1990s. And we are doing it using only the funds that were donated specifically for that purpose. As promised, all funds contributed for the HDM have been kept separate from funds held by the NMRA that are to be used for other purposes.

I have attached my March 2007 column so that you can see that the course the HDM is now on was laid out to the membership six years ago. No secrecy, no "inside deals." What we see – if we look – is what we get.

Mike Brestel

On 3/4/13 10:17 PM, "Hudson Berkshire Division" <HUDSON.BERKSHIRE.NMRA@GMAIL.COM> wrote:

President Getz,

Thank you for your prompt reply, it is most appreciated!

One small thing, we are the Hudson Berkshire Division not the "Berkshire Valley". Small point, but important to us.

We will publish the letter and your responses in their entirety. The chart, which I didn't recall (a mind is a terrible thing), will also be published along with Mr. Leone's article. The benefits page, which as you point out runs in the NMRA Magazine frequently and has been reprinted in our newsletter several times, will not go in this time. I would also like to include your response to the follow up questions below and lastly your thoughts on the transparency question and your idea of the "perfect NMRA". I will make sure that you receive a copy of the newsletter pre-publication, if you'd like. We can also place you on our mailing list (it is opt in btw) so you can receive our newsletter.

I am VERY excited regarding the 501 changes you mentioned and while it would have been great, if the budget allowed, for each Division to receive a banner at no cost, the offer and deal were welcome. As an aside, we had procured this type of marketing material before this, we also provide professionally printed Division brochures and we have a "traveling road show" that goes to Train shows in the area. It contains banners, flyers, handouts, cords, tablecloths, etc. basically all the things you would need to promote our Division at a show. Throw in a few bodies who can reasonably speak the English language and you have a great recruiting tool. The move to Constant Contact will be great too. We have used this tool extensively and nearly half of our membership gets the Form 19 newsletter through CC and our website.

I am also glad to hear that we are at least exploring options in regards to the Database. The current system is antiquated at best and our secretary/treasurer spends upwards of two hours a month integrating the spreadsheets we receive into our Access database for the Division. I know he, and I, would much prefer an online system that would allow us access to create mailing labels and email lists for both our newsletter and for keeping in touch with our members. This sort of controlled access would also help with address, both email and regular, updates. We send emails off to the wonderful staff with our updates as the members report them to us. The recent move to an online form should help with this and we are glad to see

it.

We do have a few follow-up questions if I may?

- While the chart Mr. Leone has provided goes a long way towards answering many members and perspective members questions, there is still the nagging and persistent question of accounting for “non-dues” money/donations. Perhaps a breakdown of monies received vs. incurred costs and projected costs for things like the Museum exhibit, the Diamond club and the other good works the NMRA does is in order? Is this covered in an annual report? Is this report available to the members?
- Could you elaborate on the recent removal of Miles Hale as ALNA? I have read the blurb on the website and my, albeit, limited, understanding of the Executive Handbook (i.e. Regulations) indicates that Mr. Hale has been restricted from holding any Office in the NMRA. If this is true I would think that the members who voted for him (in terms of complete transparency, I was not one of those) would deserve a somewhat more detailed explanation for the severity of this penalty. Please bear in mind that I have absolutely no knowledge of the facts or particulars surrounding this incident but the statement that there is a petition to the IRS being circulated by some “disgruntled” members both alarms and concerns me. Why are they disgruntled? Is there a greater undercurrent of dissatisfaction flowing in the organization?
- Stemming from that same article; I was somewhat dismayed to see that the Howell Day Museum is not a Federally approved 501c3 organization. I am sure there is some reasoning for all this but, and I sense you are seeing a common theme here, the members do need that reasoning explained.
- Has there been any further discussion regarding the transfer of the Kalmbach Memorial Library collection to CSR? If so how will that affect the roughly .09 cents of every dollar currently being spend on the Library? I’m not sure if Mr. Leone’s breakdown of administrative cost includes the Building that houses the library or the staff working there. Will it improve our finical picture?
- In regards to the CPI and dues increase, thank you for that explanation, it makes sense. Might we take it a step further by announcing, clearly, that “due to an increase in the CPI, as provided for in the regulations, your dues will rise approximately \$X.XX next year” or something to that effect each time the dues are set to go up? Forewarned is forearmed and a pre-emptive statement with explanation will help.

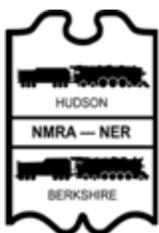
What we in the Hudson Berkshire Division are asking for is a marked change in the way the NMRA has done business in the past. We are asking for a FAR (my emphasis added)greater level of transparency and openness. This, above all, will help eliminate the perception of ‘inside deals” and “old boys network” that holds our organization back from greater success and market penetration.

You mention that - We are a non-profit so we do not "give stuff" – I must respectfully disagree. The NMRA does "give stuff", much of it intangible, in the form of fellowship and some very tangible programs such as the Achievement Program, Standards and the Museum. In your next sentence you state "Do you ask what you get when you support other non-profits?" the answer is yes. We ask them what they are doing with the money they collect, we hold them accountable for their activities, we assure ourselves that the goals and directions of the organization are in line with our own or we do not support them any longer. It is imperative that we, as an organization, assure our current and future members that we have a direction and a goal in mind or all the marketing in the world won't sustain us for the long term.

It is high time to put the misconceptions and outright falsehoods about the NMRA to rest. As a Division President I implore you to be open and honest in all your dealings with the membership. We have a right to know everything that is going on that affects our organization, the good the bad and the ugly. The caveat I will add is "within the realm of the law". There are, of course, things that the membership does not need to know, but these need to be the exception rather than the rule and the prime directive should be, to openly and honestly share all that we possibly can. It goes without saying that there needs to be a deliberative process that is free from pressure and ridicule, this I know. Not every idea brought up in conversation among my leadership team sees the light of day, but any decision that is rendered is explained, questions are answered and if need be, course changes are made. It would be Pollyannaish to believe that we will quell every naysayer or dispel all discontent, but those voices would be drowned out by the facts and the vast majority of the membership will appreciate being "in the know".

I would like to thank you for your interest and for taking the time to thoughtfully respond to our Division.

Sincerely,
Paul Hoffman



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From: Charles Getz [<mailto:charliegetz@yahoo.com>]

Sent: Monday, March 04, 2013 8:14 PM

To: Hudson Berkshire Division; George Scooter Youst; BillBrown

Cc: mike brestel; nmra board/officers nmra; Bob Amsler; Gerry Leone; Page Martin-Arbour Models

Subject: FW: Letter from Berkshire Valley Div NER

Gentlemen,

Attached is my response and some items of interest to your letter. My response is attached as "Letter to President Getz". Thanks for sending it. Gerry Leone, Frank Koch and Mike Brestel helped me on the responses. Would love to see what you print.

Thanks, Charlie Getz.

The NMRA@work

“So where do my dues dollars go?”

**By Gerry Leone, MMR
NMRA Communications Director**

Answer: All sorts of important places. And you'll find out how in a couple of paragraphs.

I've heard people ask this question a lot. They question why NMRA dues seem so high. And they're really not very high compared to any number of organizations you could belong to. Before you deny that, take a good look at some other organizations' dues. But that's a whole 'nother issue.

Answering NMRA questions like this one is exactly what this column's intent is. Part of my job as Communications Director is to shed a little light on some of the answers to these questions. There are really no secrets in the NMRA, as I'm finding out, if you're willing to go look for the answers.

Now, on to the dues dollars. It's a simple question to ask, but the answer's not all that simple, especially for an economics-challenged person like me. So I spent a good deal of time snuggling up to past treasurer Tom Draper's financial report to the Board from last July. And then spent some time talking about it with Tom himself. Tom's a good guy and has a lot of patience with non-number folks.

The first thing I found out is that you can't really look at income from dues without looking at total income. In other words, member dues isn't the only place the NMRA gets its money. (Surprised? I was!) In fact, dues only account (pun intended!) for about 45% of the NMRA's income. The rest comes from non-dues activities (like selling books and standards gauges), *Scale Rails* subscriptions and advertising, and other places. But we'll leave those out of it for now. Let's just focus on dues money.

Take a look at the graphic. As you can see, about 35 cents of every dues dollar goes to administration, 34 cents goes to publications, 8 cents goes to the executives and the Board of Directors, 9 cents goes to the Library, 8 cents goes to non-dues activities, 4-cents goes to region rebates, and 4 cents goes to other departments. Let me explain what each of those is.

"Administration" refers to the total amount of expenses for the administrative department. The figure includes shipping, printing, supplies, maintenance, equipment leases, computers, computer software, insurance, and, of course the

salaries of our good folks at HQ – our paid staffers. It's kind of the cost of doing business.

"Publications" is the next largest chunk, and that's *Scale Rails*. But here's where it gets tricky. The expense of producing *Scale Rails* is virtually offset by the subscription fees and advertising revenue it brings in. So it's a wash. Technically, yes, your dues dollar is going to publish *Scale Rails*, but it's being paid back immediately.

"Library" is the next largest expense, and once again the figure is a little deceiving, because some of that money is returned by the income the Kalmbach Memorial Library generates by selling surplus books and doing research.

"By doing what?" you say. Yup, it's another unintentional NMRA secret! Take a look at the KML pages on www.nmra.org. You'll see lists and lists of books and magazines the Library sells every month... duplicates that are received when members bequeath their estates to the NMRA. No doubt there's something on those lists you could use.

Back to the dues dollars. What about "non-dues activities" – what are they? They're the income-generators I alluded to several paragraphs ago that don't include membership dues. Things like the NMRA standards gauges, the annual calendar, Heritage and Living Legends cars, and convention clinic books. Each of those types of activities takes some money to produce (like printing fees for the calendar), but again, most of those "non-dues activities" also generate their own income, and, in fact, make the NMRA a little profit every year.

The "Exec and BOD" chunk is the money needed by the Board and Officers to carry out their duties – things like travel and lodging for meetings, postage, copying, office supplies... things like that. This category also includes things like legal fees, such as the costs of the recent DCC-sound patent challenge.

The last two categories are "region rebates" and "other departments." Every year the NMRA rebates each of its U.S. regions \$2 per NMRA member, to help the regions communicate with members. Some regions pass that rebate down to their divisions, some use it for direct communication. If you're interested, check with your region to see where your rebate goes.

"Other Departments" include Education, Standards and Conformance, and Membership Services, each of which has some miscellaneous costs associated with their activities. For example, the Standards and Conformance Department is purchasing off-the-shelf models for their conformance reviews, to make sure that what they test is typical of what you buy. "Depreciation" is also included in that listing.

So there you have it – that's where your NMRA dues dollars go. When you spend a little time with the financial report, you get a much greater understanding that the NMRA is a lot more than a few people sending out membership cards. It's a full-blown corporation with hundreds of thousands of dollars of expenses, and hundreds of thousands of dollars of income. There's a lot going on that most members aren't aware of.

But the bottom line (yes, another intentional pun) is that all of that activity is making this hobby better for all of us.

That's the NMRA at work. And another reason why the NMRA works.

If you have an NMRA question that you'd like me to try to answer, please send it to gerryleone@earthlink.net. Put "NMRA" in the subject so I don't think it's junk mail!

