

**PACIFIC COAST REGION  
OF THE NATIONAL MODEL RAILROAD ASSOCIATION**

**Board of Director's Meeting**  
Wednesday, April 20, 2016 at 1 PM  
DoubleTree Hotel, 1150 9<sup>th</sup> St. Modesto, CA

**MINUTES**

**A. QUORUM VERIFICATION / CALL TO ORDER**

The meeting was called to order at exactly 1:06 PM.

The following voting members of the Board were present:

President Ed Merrin

Vice-President Carol Alexander

Coast Division Director Mark Schutzer

Daylight Division Director Dave Grenier

Redwood Empire Division (RED) Director Dave Croshere

Sierra Division Director Mel Jones

Ex-Officio member present:

Secretary Tom Swearingen

Other Pacific Coast Region (PCR) members present:

Gus Campagna, Publications Department Manager

Vic Cavalli, Acting Chairperson, Audit Committee

Ray deBlicek, Convention Department Manager

Bob Ferguson, Membership Department Member Services Chairperson

Neil Fernbaugh, Daylight Division Superintendent

Chuck Harmon, Editor, Branch Line

Pat LaTorres, PCR Immediate Past President

Frank Markovich, Coast Division Director Elect

Chris Palermo, 2017 PCR Convention Committee Co-Chairperson

Bob Sexton, Daylight Division Chief Clerk and Paymaster

Steve Skold, RED Director Elect

Tom VanHorn, Sierra Division Director Elect

**B. ADOPTION OF THE AGENDA**

Vice President Carol Alexander moved to accept the agenda, which was seconded by Director Dave Croshere. Motion approved.

### **C. WRITTEN COMMUNICATIONS**

There were no written communications.

### **D. MEMBER COMMENTS**

There were no member comments.

### **E. APPROVAL OF THE MINUTES OF THE PREVIOUS BOARD MEETING**

Director Dave Croshere moved to approve the minutes from the board meeting held on October 10, 2015. Director Mel Jones seconded the motion. Motion approved.

### **F. OFFICER'S REPORTS**

- F.1 President Ed Merrin submitted a written report that is attached to the record copy of these minutes.
- F.2 Vice-President Carol Alexander provided a written report, and summarized it at the meeting. She said she can complete her term as PCR Vice President because her upcoming move will not take her out of PCR's geographic boundaries.
- F.3 Treasurer Report: no report.
- F.4 Secretary Swearingen had no separate report.

### **G. DIRECTOR'S REPORTS**

- G.1. Coast Division Director Mark Schutzer submitted a written report, which is attached to the record copy of these minutes.
- G.2. Daylight Division Director Dave Grenier submitted a written report, which is attached to the record copy of these minutes.
- G.3. Redwood Empire Division Director Dave Croshere submitted a written report, which is attached to the record copy of these minutes.
- G.4. Sierra Division Director Mel Jones submitted a written report, which is attached to the record copy of these minutes.

### **H. DEPARTMENT REPORTS**

- H.1. Administration Department  
There was no written report
- President Merrin said that, as mentioned in his written report, numerous vacancies have to be filled.
  - Storekeeper Ted Moes submitted a written report which is attached to the record copy of these minutes.
- H.2. Membership Department  
Membership Department Manager Doug Wagner submitted a written report, which is attached to the record copy of these minutes.

- H.3. Publications Department  
Dave Grenier submitted and briefly reviewed a written Webmaster report. A copy of this report is attached to the record copy of these minutes.
- H.4. Convention Department  
Covered under New Business
- H.5. Contest Department  
Director Dave Croshere said that during this year's convention, he would be filling in for Contest Department Chairperson (Giuseppe Aymar), who is unable to attend.
- H.6. Achievement Department  
There was no written report submitted.
- H.7. Non-Rail Department  
There was no written report submitted.

**I. OTHER REPORTS**

There were no other reports.

**J. OLD BUSINESS**

- J.1. Convention Manual and PCR Logo update: Vice President Carol Alexander said that the Convention Manual documents and information regarding the PCR logo are packed up while she is preparing to move. She expects to have made progress to report at the next BOD meeting.
- J.2. Status of the proposal to share membership fees with National: President Merrin reminded us that this proposal was initiated by RED Director Croshere in an effort to increase membership by subsidizing the dues of younger potential members. Jack Hamilton informed President Merrin that he is now head of a Select Committee formed by the NMRA BOD to address issues of recruitment and retention. He expects this idea to be included in that committee's final report. There is no further action for PCR to take at this time.

**K. NEW BUSINESS**

- K.1. President Ed Merrin recognized the new Directors, and thanked all of the Directors who served with such passion over the past few years. The following are PCR's newly elected Directors: Coast Division Director Frank Markovich; RED Director Steve Skold; and Sierra Division Director Tom VanHorn. Daylight Division Director Dave Grenier was re-elected. The new Directors took office during this part of the meeting, and were recognized as the Division Directors throughout the remainder of the meeting.

- K.2. Acting Audit Committee Chairperson Vic Cavalli submitted a written report of his recent audit, which is attached to these minutes. To comply with the Manual of Operations, President Merrin called for a vote to confirm Vic Cavalli's formal appointment as Audit Committee Chairperson. He was unanimously confirmed by a voice vote.

President Merrin noted that the Manual of Operations calls for a select Audit Committee of three; this requires appointment of a new committee whenever an audit is to be performed (minimum of every two years or whenever a new Treasurer begins service). This is an awkward procedure that in fact has never been directly followed. The same auditor has been appointed each time usually has worked alone. He suggested that we modify the Manual to reflect actual practice. Director Tom VanHorn moved as follows: "Change the Manual of Operation to read that the Audit Committee change from being a select committee to a standing committee with one chairperson, who can select up to two more committee members". Director Steve Skold seconded the motion. The motion was approved by voice vote.

- K.3. Convention Procedures: President Merrin reviewed the inconsistent practice of providing lunches to contest judges at PCR conventions. This practice may have originated from the desire to keep judges from going off at lunchtime and not returning; Contest Chairperson Aymar has requested that the Board clarify how this lunch is to be funded. Director Frank Markovich moved as follows: "The Convention Department will list as a requirement that the Convention Committee will provide refreshments for the contest judges." Tom VanHorn seconded the motion. The motion passed. Convention Department Manager Ray deBlieck volunteered to incorporate the change in the convention manual and to make sure everyone in the future knows of this requirement.
- K.4. The Board considered several options to insure that Division Superintendents earn AP credits as NMRA officials. These include merging the Superintendent and Director positions versus making Superintendents voting members of the PCR Board. The informal consensus was to consider the second alternative, which would require a change in the PCR Bylaws. Publications Department Social Media Coordinator Chris Palermo, volunteered to research whether such a change would be in violation of California corporate law.
- K.5. Hawaii: President Merrin pointed out that the Hawaii Division has been inactive for years, despite PCR efforts to help them. They have had no officers, business meetings, or other required activities. They currently have only eleven members scattered over three islands. He proposed that we resolve this problem by eliminating the Division and redefining the boundaries of another Division to include that geographical territory. Director Frank Markovich moved as follows: "Dissolve the Hawaii Division and move those members of PCR to the Coast Division." Director Dave Croshere seconded the motion. The motion passed. This will require some reworking of several sections of the Manual of Operations and

informing the NMRA administrative office when it is done. President Merrin will check with NMRA to make resolve a question raised of whether PCR had authority to proceed with this.

- K.6. President Ed Merrin said that the Southeast Region has voted to begin using on-line balloting. He pointed out that about \$300 is spent annually by PCR to print extra issues of the Branch Line in order to provide ballots to members who have opted out of print subscriptions in favor of on-line only subscriptions. A discussion ensued but no action was taken at this point. President Merrin will wait to see how things go in the Southeast Region. If favorable we will need to assess costs and benefits of making a change.
- K.7. Convention Department Chairperson Ray deBlieck made several announcements regarding future convention plans. The convention committee for the 2017 convention in Bakersfield is thriving, with participation by members of several Divisions. It is headed by Doug Wagner and Chris Palermo. Vice President Carol Alexander moved that the PCR award the hosting of the 2018 PCR convention to the RED, and its co-sponsor, the Northwestern Pacific Railroad Historical Society. Director Frank Markovich seconded the motion and the motion passed. It will be held on April 4-8 at the Double Tree by Hilton in Rohnert Park. The 2019 convention will mark the PCR's 75<sup>th</sup> anniversary and Chairperson deBlieck suggested putting something together to commemorate the occasion. The NMRA has approved PCR as the host for the 2021 National Convention.
- K.8. Formsite.com is the service used for on-line registration forms for the convention, and for other meetings. It can be used for other purposes. The current service is Pro 2 and costs \$50 per month. The Pro 1 service is \$20 per month. Director Dave Grenier is currently the only person using it. We will move to the lower cost service until more users need to use the system.
- K.10 President Ed Merrin asked the group to consider a proposed inventory form for use with PCR equipment. It would establish a paper trail for equipment that is loaned out to various Divisions of PCR. Board members discussed issues with missing or damaged projectors in the past. President Ed Merrin asked the group to consider whether introducing such a form in the future would help the region more clearly establish responsibility for maintaining the equipment. There was no clear consensus other than reaffirming the assignment of responsibility to the last group to have possession, so no action was taken at this time.

## **L. ANNOUNCEMENTS**

- L.1. Immediate Past President Pat LaTorres said that the 2016 Bay Area Prototype Modelers meeting will be held on Saturday, June 18, at Saint David's School Hall, 871 Sonoma Ave., Richmond, CA. He said he was willing to represent the PCR, and would like one or two volunteers to assist him at the event. He asked the PCR to sponsor the event. A motion was made to sponsor the event; the motion was seconded and passed.

- L.2. Rod Smith resigned as head hobo for the future conventions. He will need to be replaced.
- L.3. NMRA President Charlie Getz sent a thank you letter to a donor of model railroad equipment to the PCR. A copy of the letter is attached to these minutes.
- L.4. Treasurer Michael Coen has resigned as Treasurer. If any Board members have suggestions for filling this vacancy, please let President Ed Merrin know.
- L.5. The next Board of Director's Meeting will be on Saturday, October 22, 2016, from 1PM until 4PM at the Western Railway Museum, 5848 State Hwy 12, Suisun City.

**M. ADJOURNMENT**

Director Grenier made a motion that we adjourn the meeting. Vice President Carol Alexander Seconded the motion. The motion passed, and the meeting was adjourned at 3:40PM.



## PACIFIC COAST REGION OF THE NATIONAL MODEL RAILROAD ASSOCIATION

President's Report  
April 8, 2016

To the Board of Directors:

Over the past six months there have been a number of developments that speak well for our viability and relevance. Our convention planning has become extremely innovative, with the current joint convention with the Feather River Society and another with the Northwestern Pacific Railroad Historical Society in the planning stages. We have continued our sponsorship of events put on by other organizations, such as the LD/OP sig meet at the California State Railroad Museum in January and the West Side Reunion in Sonora last weekend. Some preliminary discussions have taken place regarding cosponsoring a future Narrow Gauge convention.

I will also highlight some areas where we have unresolved questions and areas of some disappointment.

1. PCR had been remiss in not conducting audits as specified in the Manual of Operations. I have appointed Vic Cavalli acting Audit Committee Chairman and he has performed an audit as required by our appointment of a new Treasurer. His report is available for the Board today, and his formal selection as Audit Committee Chairman awaits a Board vote.

Unfortunately, we have deviated somewhat from the MOP. The MOP specifies that a committee of three must be selected by majority approval of the Board (11.C). In fact, we have been operating without a functioning committee for some time. The previous Chairman informed me that he had been conducting audits alone, although there were two members of his committee. When contacted, one of these members had no knowledge of being on a committee and the other stated he had no wish to participate. In addition, The MOP states in 6.B.7 that the Audit Committee is a select, not standing committee. That would indicate that the intent was to form a committee whenever an audit is needed only rather than having a standing committee.

I suggest that we consider either changing what we do to match the MOP or to revise the MOP to define the Audit Committee as standing and to leave the matter of membership to the Chairman.

2. I have appointed a new Storekeeper, Ted Moes, and his current report has been

distributed to the Board.

This brings up two other issues related to PCR assets and their safekeeping. There continues to be problems with projectors, and although we have established some ground rules for accountability and responsibility, too much of this is verbal and without paper trails of custody. On the agenda for today is the consideration of a form developed by Dave Grenier.

In addition, we are continuing to grapple with the awkward and bulky photo easels that we must get to the PCR convention annually for the photo contest. This set of easels, each seven feet long, must be stored between conventions in disassembled form, transported to the convention site, and reassembled. They require a van or similar vehicle and this creates problems. Rather than continue with this system indefinitely I suggest we search for alternatives. I will be asking our Contest Chairman to assist me in looking for a new solution. I will also seek input from those Divisions that hold their own photo contests as part of their meets.

3. At the last Board meeting we raised the issue of Division Superintendents and their status as officials versus volunteers. Although this issue is currently under discussion on the National level, there is unlikely to be any changes there in the immediate future. Therefore we will need to discuss some alternatives and make some decisions. It is on today's agenda.

4. I have again placed the matter of the Hawaii Division on the agenda, as I believe that we should be prodded into taking some kind of action. Unfortunately, the MOP isn't clear on how to dissolve a Division, should we consider that option. We might want to address whether the MOP needs modification.

5. Just for you information, after some previous promise of activity, my experience with RAC this past year has been primarily being asked to send a report periodically about how we're doing. Somewhat disappointing, but we'll see what's coming.

Respectfully,

Ed Merrin  
President  
Pacific Coast Region, NMRA



To: PCR Board of Directors

From: Carol N. Alexander, Vice President

Date: April 20, 2016

Subject: Vice President's Report

There have been many changes for me since I reported to the Board six months ago that I would be moving out of the Region and would have to resign my position as your Vice President. My wife and I are still moving but we will be moving to Paradise, California and still within the PCR. So, it will not be necessary for me to resign and I will be able to complete my commitment to the membership.

Preparing our house for sale has taken most of our time and energy for the past several months and now we are waiting for an offer to be able to move into a new home. Until that happens most of our belongings are in storage including all my hobby stuff. I have a couple of projects I'm supposed to be working on and as soon as we can unpack again, I'll be able to get back to work on them.

**Coast Division Report**  
**PCR Board Meeting – April 20, 2016**  
**Modesto**

The Coast Division held two successful meets in the time between the last Board Meeting. Our December meet was held at Boy Scout headquarters in San Leandro and the February meet was held at the Elks club in Alameda.

Attendance at the meets is in the range of 80 to 100 people. The Coast Auction has had 350 to 400 items the last couple of meets so it is covering the cost of the meet and making some positive income. The Coast Division is financially healthy with about \$25k in the bank account.

We continue the perennial problem of getting enough volunteers for all the various positions in the Coast Division. Frank Markovich has done a good job of getting some new blood involved in many of the positions but there always seems to be a couple more positions that need to be filled. We continue to attract several new guests and members at each Coast Meet.

Overall things are going smoothly.

Mark Schutzer  
Coast Division Director



## Daylight Division Report

20 April 2016

The Daylight Division held two meets since the 10 October 2015 Mid-year Board of Directors meeting. Our Fall Meet was held at Gary Siegel's home in Santa Barbara on 7 November 2015. Bruce Morden, meet coordinator, reported, "The weather was wonderful. The meet was lightly attended due to other commitments and some transportation issues. We missed many of the "Big Valley" folks." The turnout was lower than our usual 30-40 persons, with only 14 members and 3 guests in attendance. Joe Heumphreus presented a clinic and discussion on sectional track. John Ryan and Bruce gave a clinic on timetable and train order instruction, followed by practical application on Gary's outdoor large scale SP Santa Cruz Division. After the clinics we had a quick business meeting, the "World-famous Daylight White Elephant Auction" and an onsite lunch. Following lunch, many stayed to operate on Gary's indoor HO scale Louisville & Nashville, Eastern Kentucky Division, running freight, passenger and local trains with two-man crews and a dispatcher until almost 5:00 PM.

The Winter Meet was held on 20 February 2016 at HobbyTown USA in Fresno, with 18 members and 6 guests in attendance, with one joining the NMRA after the meet. Bob Pethoud presented his clinic, "Minimum-Depth Buildings: Constructing those fractional structures that sit against a layout's sky backdrop," showing us how he constructed the buildings for his HO scale Fall Creek Branch switching layout, featured in the *Model Railroader* March 2016 issue and on display in the clinic room. Mike O'Dorney then followed with his clinic "Pretty Good People," a method of painting HO figures that is pretty inexpensive, pretty quick, and pretty good quality. After the clinics, we had a short business meeting and our "World-famous Daylight White Elephant Auction." In addition to Bob's

layout at HobbyTown, we toured two other layouts, Leon & Zac Emory's HO Knucklehead Northern Railroad and Chuck Harmon's HO San Joaquin Central, with an operating session disappointingly enjoyed by only a couple of people.

The next Daylight meet will be 21 May 2016 at the Beale Branch, Kern County Library in Bakersfield. Doug Wagner is coordinating the activities. Ed Hall, MMR, will be presenting a clinic on proper airbrushing techniques. Watch the Daylight Division website for updates on the rest of the planned activities.

The 8<sup>th</sup> Annual Daylight Division Holiday Layout Tour was on 5 December 2015, with 9 home and club layouts open to the public in Fresno, Clovis, Selma and Tulare, with about 95 people visiting the layouts. Leon Emory coordinated the event, as Gary Saxton was in the midst of packing to move from the area.

On New Year's Day 2016, we got word that talks for the 2017 PCR-PSR joint convention had broken down and that Daylight would be putting on the convention in the Bakersfield area, per the new convention rotation passed at the October 2015 Mid-year Board meeting. Doug Wagner, working with Ray deBlieck, put together a core group of volunteers to begin planning for the convention. As of this writing, we have a committee in place that has hit the ground running and has had several meetings.

Respectfully submitted,  
Dave Grenier  
Director, PCR Daylight Division

## RED - 2016 Report

Since the 2015 mid year meeting, The RED has had two meetings.

The last meeting of 2015 was held, as usual, at Monroe Hall. We had very good attendance. If memory serves me correctly, we had almost thirty members. Show and Tell is a popular segment of our meetings. It is interesting to see what our friends are working on and how they went about the execution of the building of their models. Following S&T we had a most interesting talk by Andy Cohen on 3D printing. He explained the various methods of the printing process and how they should be varied for the desired results. There was no doubt we were looking at a future method of modeling .

The first meeting of 2016 was held at the Napa Valley Model Railroad Society. This is the first time our Division has had a meeting at this beautiful layout since they went 100% DCC. We had a review by their members of the various difficulties to change the layout from DC to DCC over the years. This was an interesting talk, but I think many of our members preferred to run some locos and rolling stock they brought from home. It is amazing how good your equipment looks running on a very nice large layout. Thanks to Napa Valley.

Since the first of the year the RED have begun the process of staging the 2018 PCR convention. We have just concluded negotiation, thanks to Ray DeBlick's effort, to contract with the DoubleTree hotel in Rohnert Park. The dates will be April 4th through the April 8th, 2018. We have also agreed to do this convention jointly with our many friends of the NorthWestern Pacific Historical Society

On February 25th we held a meeting at Ron Kaiser's home to stir up interest and see who was willing to commit to working towards the PCR convention. We had 18 in attendance and we have two thirds of our chairpeople signed up as a result of that meeting. Way to go RED!

The RED hasn't had a full convention in our area for ten years. That means amongst other things, we have a good number of layouts that most of the PCR hasn't seen. Many of these layouts will also host OPSIG sessions. It is two years away, but we are planning an event that should not be missed and everyone will realize it is such a beautiful area with many fine layouts to see. Please join us.

Dave Croshere  
RED Director



## DIRECTOR'S REPORT - SIERRA DIVISION

APRIL 20, 2016

- I. The Sierra Division has had two meets since the last BOD meeting held in Modesto.

The last meet of the year was held October 10th in Paradise, CA. The morning session was held at Mountain Mike's Pizza. There was a short business meeting about the upcoming IRF in Roseville taking place on November 14th and 15th at the Placer County Fair Grounds. After this business was completed a clinic was presented by Klaus Keil on rail car interior lighting non-flickering circuit.

The contests winner was Ben Hughes. He won one, two and three in the photo contest and one, two and three in the modeling any model contest. It was a complete sweep--way to go, Ben.

After lunch there were four layouts to tour. First was Phil Simpson's Sugar Pine Creek Railroad, a 1939 circa short line with connections to ATSF. Second stop was Gary Ray's Gerber Subdivision of Southern Pacific in Northern California. Third stop was Norm Morris' Southern Pacific, no specific location. The fourth and last stop was Klaus Keil's European themed layout specializing in military rail.

The first meet of the year was held at 10 AM on February 13th at the First Christian Church in Sacramento. Opening remarks were by Jim Collins. A motion was made that a donation of \$300 be given to the Sacramento Modular Railroad for maintenance on the hospital layout. The motion was seconded, discussed, voted on and passed.

Minutes from the last meeting were read by Jim Firehock and approved by the members.

Al Rowe gave the financial report which noted that the take from IRF in November was \$2,476.56, which leaves us in good financial shape.

We re-elected Jim Collins as Superintendent, Jim Firehock as Chief Clerk and Al Rowe as Paymaster for the next two years.

Jim Collins reported on the upcoming 2016 Convention. Chip Meriam reported that there will be three more printed issues of The Bulletin. After that, The Bulletin will be electronically delivered.

Jim Zeek presented a clinic entitled, "Placerville, A Complete District, To Scale as One Layout".

After a lunch break, we voted on the contests. The results were as follows: Photo - Walt Schedler, 1st; Gary Ray and Tom Van Horn, tied for 2nd; Ken Martin, Walt Schedler and Jim Collins tied for 3rd. Freight Cars - David Adams, 1st; Ken Martin and Judson Reeves tied for 2nd; Dick Witzens, 3rd.

A second clinic was presented by Klaus Keil on U.S. Army Transport Corps in Germany circa WWII.

The names of the door prize winners were drawn and the meeting was adjourned.

The May Meet will be held on May 7th in Sacramento at multiple locations. Included will be an operating session and lunch for \$5.00. Please check the agenda for further information and locations.

Respectfully submitted,

Mel Jones

PCR Membership Department Report  
March 31, 2016

The PCR membership statistics for September 30, 2015 to March 31, 2016

Membership on September 30, 2015 – 1,010

Membership on March 31, 2016 – 978

Deceased – 12 (listed below)

Coast

Leroy Bertsch	Palo Alto CA
Karl Wandry	Antioch CA
Clarence Jackson	Oakland CA
John Marshall	Pleasanton CA
Thomas Trotter	El Cerrito CA
Johnny Church	La Selva Beach CA

Sierra

John Christiansen	Oakdale CA
Dana Ruben	Nevada City CA
Louis Mayer	Carmichael CA
Richard Johnson	Sacramento CA
Ronald Roberts	Shingle Springs CA

Hawaiian

Roland Rasmussen	Ewa Beach HI
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New Members – 45 (this figure includes 17 Rail Pass)

Re-Rail – 23

Did not renew membership – 75

Membership by Division as of March 31, 2016:

<u>Division</u>	<u># Members</u>
Coast	450
Sierra	258
Redwood Empire	136
Daylight	123
<u>Hawaiian</u>	11
Total PCR Members	978

As compared to the previous 6-month report, from March 31, 2015 to September 30, 2015, we did great by signing 20 more members - 45 as compared to 25 – but where we really went south was that 75 former members did not renew their membership. This compares to 40 who did not renew their membership from March 31, 2015 to September 3, 2015.

Sorry for not being able to attend the convention, but my wife is going through a battery of cancer tests this week, and I thought it might be better to be home at this time. But I will see you in October, in Bakersfield, at the Board of Directors meeting.

If you have any questions or comments, please contact me at [carldw@aol.com](mailto:carldw@aol.com) or by phone at (661) 589 – 0391.

Doug Wagner  
Membership Department Manager



# Webmaster Report

## 20 April 2016 Annual Board Meeting

The PCR website has been updated since the last report at the last annual Board meeting. The "Board Meetings" and "Business Meetings" pages have been revised to use new tables for the links to the agenda, highlights and minutes files, with alternating row colors for better visibility. The annual and mid-year meetings are clearly identified as such. This was done not only to improve visual appearance, but to also make the underlying HTML code easier to maintain by using modern coding techniques.

All meeting file names have been renamed for consistency in the "date-meeting-type.pdf" format, for example "2016-04-20-PCR-Board-of-Directors-Meeting-Agenda.pdf." All delimiters between words were changed from spaces and underscores to dashes to be consistent with industry practices to not use spaces between words of the file names.

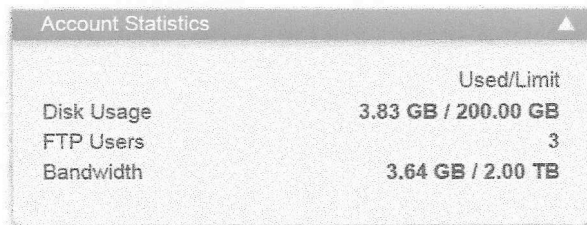
Also added at the top of the page were the dates and locations of the next Board of Directors meeting and Annual Business meeting.

Permanent e-mail "aliases" were created for the following PCR personnel:

Giuseppe Aymar, Contest Department Manager, [pcrContestDeptMgr@pcrnmra.org](mailto:pcrContestDeptMgr@pcrnmra.org)  
Ray deBlieck, Convention Department Manager, [pcrConvDeptMgr@pcrnmra.org](mailto:pcrConvDeptMgr@pcrnmra.org)  
Dave Grenier, Webmaster, [pcrWebmaster@pcrnmra.org](mailto:pcrWebmaster@pcrnmra.org)  
Rod Smith, Hobo in Charge, [pcrHobos@pcrnmra.org](mailto:pcrHobos@pcrnmra.org)

Note: E-mail aliases can be created to forward e-mail to up to 25 recipients using a single e-mail address, as we do for co-chairs of convention positions to ensure both receive all messages.

### Domain Statistics: (pcrnmra.org)



	Used/Limit
Disk Usage	3.83 GB / 200.00 GB
FTP Users	3
Bandwidth	3.64 GB / 2.00 TB

### E-mail Statistics

Mailboxes used: 6 of 100  
Forwards (aliases) used: 37 of 100

Respectfully submitted,  
David Grenier, PCR Webmaster

Storekeeper Report  
March 21, 2016

<u>Item</u>	<u>Custodian/Contact</u>
PCR Table Top Display & Show Banner	Pat LaTorres/ duhnerd@pacbell.net <i><u>Still has!</u></i>
Projectors Coast	Frank Markovich / frank@frankmarkovich.com <i><u>Still has!</u></i>  Richard Brennan/ brennan8@earthlink.net <i><u>Frank re-took possession after the Coast meeting in preparation for the PCR Convention in Modesto.</u></i>
RED	Gus Campagna/ campgus@earthlink.net <i><u>Still has!</u></i>
Daylight	Dave Grenier/ grenida@pacbell.net <i><u>The remote control went missing during the Portland NMRA convention last year, but they have ordered a replacement and will give it to me in Modesto.</u></i>
Sierra	Jim Collins/ jimcol@charter.net <i><u>Still has!</u></i>
Keith Heinsolm collection	Ray DeBlieck/ raydbcs@aol.com <i><u>Still has most of it.</u></i>
Photo Racks w/bolts & instructions, Non rail box & Suitcase w/leg extenders	Ed Merrin/ edmerrin@comcast.net <i><u>Still has!</u></i>
Model Contest lights & Contest category placards etc	Giuseppe Aymar/ giuseaymar@aol.com <i><u>Has the 5 Ott lights (one has been missing since the Convention in Dublin), the placards for the categories, the inventory of plaques, and the incidentals to run the registration desk.</u></i>
Convention car display	George Pisching/ gmpisching@netzero.com <i><u>Is planning on bringing the two cases to the convention. Has been adding cars to the collection as he finds them. He now has enough to need two more cases which will have to be custom built for us. He will need to acquire the \$\$\$ for this part.</u></i>

Ted Moes Storekeeper  
Reporting!

# Financial Audit Report

for the

## Pacific Coast Region

of the

### National Model Railroad Association

On Sunday, March 13, 2016, an audit was conducted at the residence of Pacific Coast Region's (PCR) Treasurer Michael (Mike) Coen. In attendance were Michael Coen and acting PCR Audit Committee Chairperson, Vic Cavalli. The audit was conducted at the request of PCR President, Ed Merrin; in accordance with *Section 11 – Financial Accounts, Subsection 11.C - Audits of the PCR's Manual of Operations*.

Prior to performing the on-site audit, Treasurer Coen received, and was requested to complete, a *Financial Pre-Audit Questionnaire* so that basic background information could be collected. A copy of the questionnaire is attached to this report. Also attached is a copy of the completed *Financial Audit Checklist* used by the Committee during its on-site visit.

Findings, along with recommendations, from the audit are as follows:

**Finding #1:** The PCR is financially sound. Total assets (\$ 72,523.63 as of October 10, 2015) far exceed averaged annual expenses (\$ 8,790.14 -- fiscal years 2009/2010 through 2014/2015) by a debit-to-equity ratio of 1:8.3. Funds contained in the PCR's General Checking account when annualized, however, was found to be underfunded with a debit-to-equity ratio of 1.5:1. (See Recommendations under Findings #3 and #4.)

**Finding #2:** Some details associated with the current fiscal year 2015/2016, such as bank-to-ledger reconciliations, account balances, and credit/debit (to Budget) variances, could not be determined as they were either a) not to be up-to-date or b) had not yet been created. No irregularities, however, were noted either.

**Finding #3:** The PCR's Convention Fund and Life Members' Saving accounts actually share a single "combined" checking account. They are not separate accounts; as implied in previous PCR Annual Yearly Financial Statement reports.

**Recommendation:** Each fund should be its own separate account. Each account should be defined, in detail, in the PCR's *Manual of Operations* -- including its capped ceiling (for Convention Fund) or minimum value (for Life Members' Savings). Overages and/or shortages should be specified as being automatically deposited into or transferred from the PCR's General Checking account. (This

latter recommendation also would help to offset PCR's General Checking account's negative debit-to-equity ratio.) Actual "capped ceiling" and "minimum value" are left for the Board to determine.

**Finding #4:** It was noted that while the PCR maintains a Life Members' Savings account, no funds ever appear to be withdrawn for it -- i.e., to pay for those member's annual subscription to *The Branch Line* -- since at least fiscal year 2009/2010.

Recommendation: Annually, the Treasurer should work with the Membership Department to determine the number of current regional Life Members in the PCR so that the appropriate amount of dues may be transferred from Life Member's Savings to General Checking.

Recommendation: A debit-to-equity ratio standard should be created by the PCR Board; then, annually, a current-year ratio should be generated to ensure sufficient long-term funds remain.

**Finding #5:** Current practice irregularities were noted when compared to the PCR's *Manual of Operations*. They included:

a) Appropriate joint access to PCR accounts -- PCR President Merrin is not on account signature cards (also recommend copies of current cards be kept in Treasurer's records),

b) Determination of PCR Board's decision to require bonding of individuals with access to PCR accounts not available in Treasurer's records,

c) Advances in excess of stated limits to 2016 Host Convention Committee were noted without evidence of prior written Board authorization,

d) Treasurer Coen shared he was unsure who -- the PCR or the Host Convention Committee -- is responsible for payment of the Hobo Breakfast event. If it is the region, he believes receipt(s) were not always submitted.

**Finding #6:** As the PCR's 2015/2016 fiscal year had not yet concluded at the time this audit was conducted, tax filings were discussed only in general. Treasurer Coen was knowledgeable regarding which forms need to be filed at both the federal and state levels. Neither Mike nor Auditor Cavalli was sure what, if any, local annual tax filings may be required however. It was noted that fees associated with CA Form 199 -- Annual Information Return -- appears not to have been submitted in either fiscal years 2013/2014 or 2014/2015.

Recommendation: Additional research on local Sales and Use tax laws need to be performed. It also needs to be determined whether all appropriate tax forms were filed for fiscal years 2013/2014 and 2014/2015 (and whether any penalties may have been incurred).

Recommendation: A procedural statement on the retention and, thereafter, destruction of prior year(s) tax documents should to be added to the PCR's *Manual of Operations*. (Treasurer Coen's files appeared to have submissions going back 20+ years.)

**Summary Statement:** Financially, the Pacific Coast Region remains basically sound; primarily due to its strong reverses. It continues to operate – for many years now -- on a consistently negative cash-flow basis however; depending heavily on its annual regional conventions to be profitable.

It is also this auditor's opinion that Treasurer Michael Coen is performing the duties of his office well. He is competent and quite capable of executing the responsibilities bestowed upon him. It must be accepted, however, that Mike is still going through a transitional/learning/re-development period. As such, it is this committee's final recommendation that a "follow-up" audit be performed in 3-4 months.

The Audit Committee awaits word back from the PCR's Board of Directors on any action(s) it may deem appropriate.

Respectfully submitted,

Vittore (Vic) S. Cavalli, Jr.  
NMRA #L05630  
Acting Audit Committee Chairperson

# Spreadsheet: PCR Audit Committee Forms

## ON-SITE AUDIT CHECKLIST

	PASS / YES	FAIL / NO	N/A
<b>General Bookkeeping and Accounting Practices</b>			
1) There is a bookkeeping system in place. It is: <u>single entry</u>	[ x ]	[ ]	
a) The book(s) are prepared by <u>the Treasurer, Michael Coen</u>			
b) This individual(s) understand the "how and why"s of bookkeeping	[ x ]	[ ]	
c) He/she/they prepare all financial statements	[ x ]	[ ]	
If not so, specify: _____			
d) He/she/they also prepare all tax and other records	[ x ]	[ ]	
If there are "others", specify: _____			
2) Bank statements are reconciled. Frequency is: <u>Since taking office, Mike has yet to perform a reconciliation / balance forward of the ledgers. Received bank statements, however, are checked monthly.</u>	[ ]	[ x ]	
3) Internal Credit and Debit statements are accurate.	[ x ]	[ ]	
a) Frequency statements are generated/updated is: <u>An initial statement has not yet been generated by newly appointed Treasurer Coen</u>			
b) The preparer understands the purpose of these statements	[ x ]	[ ]	
c) A variance (against budget) is a part of these statements	[ ]	[ x ]	
d) Multiple statements are compared and documented for trends	[ ]	[ x ]	
e) The preparer knows the current financial status of organization	[ x ]	[ ]	
4) Inventory tracking and/or asset management is performed	[ ]	[ ]	[ x ]
a) Specify types of inventories: <u>No assests other than accounts</u>			
b) Inventory is performed (specify frequency): _____			
c) The preparer understands the need for tracking/reporting	[ ]	[ ]	[ ]
d) Report(s) is(are) distributed to: _____			
5) All federal, state, and local tax regulations are followed	[ ]	[ ]	
<u>As Treasurer Coen has not been in office long enough to file any returns yet, this section of the audit was skipped. (See cover letter for additional comments.)</u>			
a) Following forms were reviewed: _____			
b) This individual(s) understand all forms	[ ]	[ ]	
c) Files Form 941, making deposits on time	[ ]	[ ]	[ ]
d) Collects and stores W-4s,. Provides W-2 information on time	[ ]	[ ]	[ ]
e) Makes timely deposits for withholdings and Social Security taxes	[ ]	[ ]	[ ]
f) Considers depreciation when calculating taxes	[ ]	[ ]	[ ]
g) Files all annual returns timely	[ ]	[ ]	
h) Does not pay tax penalties (federal, state, or sales)	[ ]	[ ]	

<b>Financial Planning and Tracking</b>	<b>PASS / YES</b>	<b>FAIL / NO</b>	<b>N/A</b>
1) There is adequate cash flow/reserves	[x]	[ ]	
a) Credits are deposited timely. Frequency is: <u>Typically within 2 weeks</u>	[x]	[ ]	
b) Disbursements are issued sequentially only by pre-numbered checks	[x]	[ ]	
c) Receipts exist for all debit distributions	[x]	[ ]	
Distributions occur within <u>2 - 5</u> days			
d) Cash-flow needs are projected and known (compared to budget)	[ ]	[x]	
e) Payroll/reimbursements occur timely. No more than <u>2 - 5</u> days	[x]	[ ]	
f) Funds are set aside for emergencies/contingency situations	[x]	[ ]	
2) Cash funds are kept by this office	[ ]	[ ]	[x]
a) Specify how they are secured: _____			
b) Funds are reconciled. Frequency is: _____	[ ]	[ ]	
c) Those with access to cash funds are bonded	[ ]	[ ]	
3) Advances/loans are tracked. Specify frequency: <u>n/a</u>	[ ]	[x]	[ ]
a) How is collection performed: <u>Only advances consist of payments to hosting convention committees. Tracking is then left to the chairperson of the Convention Committee.</u>			
b) Uncollected accounts are reported to: <u>n/a</u>			
Specify frequency: _____			
c) Write-offs occur if: <u>As specified in PCR's Manual of Operations</u>			
4) The role of financial planning is understood and practiced	[x]	[ ]	
a) Source and use of funds statements exist for the past three years	[x]	[ ]	
b) Balance sheets and variance reports exist for the past three years	[x]	[ ]	
c) Credit and debit projections exist for the next two years	[ ]	[x]	
d) This is a strong debit-to-equity ratio (at least 1:2)	[ ]	[x]	
Ratio at time of audit: <u>See comments in Auditor's cover letter</u>			
e) Previous year records and reports are kept for <u>10 - 20</u> years.			
Thereafter, they are destroyed by _____	[ ]	[ ]	[x]

April 13, 2016

Ms. Elaine Peterson  
4453 Via Del Pelligrino.  
Palm Desert, CA 92260

Ref: Donation of Model Railroad materials

Dear Ms. Peterson,

On behalf of the Pacific Coast Region of the NMRA, I want to acknowledge your generous donation of structures and miscellaneous model railroad materials from your late husband, Ken Paterson. The structures, both in kit form and assembled will find good homes. I was especially impressed by the skill in assembly of the structures built by your late husband.

I am sure he would be happy to know that the items that brought him satisfaction will find new homes and that these items will be auctioned off by PCR to raise funds for its operation but more importantly, they will be identified as coming from the estate of Ken Peterson.

We deeply appreciate your generosity in making this donation and in allowing these items to be repurposed. It will allow others to continue the journey upon which your late husband embarked and in his memory.

We again thank you for your generosity, which is a significant benefit to the PCR/NMRA.

Sincerely,

Charlie Getz  
NMRA President

cc: PCR President  
Don Grant