



Celebrating our 60th Year

THE HERALD eZine

Official Publication of the Sacramento Model Railroad Historical Society

EXTRA

July 1, 2008



Celebrate!

Celebrate!

IT'S DONE! ~ IT'S OURS!!!

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This is a Special Edition of The HERALD eZine.

**Join us for a brief ceremony commemorating history being
made with the SMRHS owning,
for the first time in its 60 year existence, its own home.**

1990 Grand Ave. is now 100% owned by the SMRHS!

Congratulations!

ON THE COVER

A portrait of our home - OUR HOME! 1990 Grand Ave.

THE SACRAMENTO MODEL RAILROAD HISTORICAL SOCIETY is a Non-profit Educational Organization under the tax section 501(a) as described in section 501(c)(3) of the IRS Code. The SMRHS is incorporated as a Non-profit California Corporation under section 23701d of the California Revenue and Taxation Code. We are dedicated to advancing the understanding of railroading and its history and impact on the development of our nation, as well as developing an understanding of railroad operations and technical skills through model railroading.

THE HERALD accepts advertising with the proceeds going towards the production of this publication and maintenance of the [Society's Web Site](#). Contact the [Editor](#) for advertising rates and mechanical requirements.

Manuscripts and photographs dealing with model railroading or railroading in general are welcome. Materials submitted for publication are assumed to be gratis and no payment will be made to the author, or his representative. Articles and correspondence relative to THE HERALD should be directed to the [Editor](#).

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Visitors are always welcome.
The Society's regular hours of operation are:

Tuesday nights 7:30pm - 9:00pm
Friday nights 7:30pm - 10:00pm or later

**1990 Grand Ave. Sacramento, CA 95838
(916) 927-3618**

Photo by Dave Good

THE PREZ SEZ

Effective on 6/23/08, 1990 Grand Ave. became the property of the Sacramento Model Railroad Historical Society along with all the remaining assets of Sierra Central Investments, Inc. Sierra Central Investments has officially closed their books and ended business and is in the process of being dissolved. This brought to a close 10 years of dreams and 5 months of intense action by both the SMRHS board and that of the SCI board.



**Bob
Rohwer**
President

The desire to own our home is an effort that began in 1987 when members of the Sacramento Model Road Club

pooled \$14,000 as a down payment for the property and formed Sierra Central Investments, Inc. (at the time the only way to purchase the building was to form a private corporation). Past member and now Honorary member, Kermit Paul, made a loan of \$35,000 to SCI for the purchase of the building and on April 23, 1987 purchased the property from Margarita Potter (affectionately known as Mrs. Potter).

One of the main reasons for incorporating the club into The Sacramento Model Railroad Historical Society, a 501(c)(3) corporation, was so the club/society itself could own the building outright. Remember, a private corporation (SCI) owned the building and the SMRHS were tenants. It has been a little confusing keeping the hierarchy strait as the owners (SCI) were also members (SMRHS). Over the last 10 years we made a concerted effort to acquire shares of SCI by donation or purchase. Last week we made an agreement with Kermit Paul for remaining shares of stock. The following three reasons explain why this was so important.

- It will provide us a huge saving – Currently SCI pays \$800 a year in corporate taxes and \$775 a year in property taxes. Since we are a 501(c)(3) we will save these costs if we are given a non profit status on the property taxes. There is still a balance on the loan for the property and in four years we will pay off that loan and save an additional \$300 per month.

- Since SCI was a for profit corporation we could not do capital improvements to the building. This included the roof and parking lot. With the building owned by the SMRHS we can fix the roof and make other improvements not to mention go after donations (as we have been) as well as grant monies to help us along. It will take time but we will be able to make these and other needed repairs.

- Finally, things change. It was obvious many years ago that some members who had shares in SCI we going on to other things, and in some cases, passing on. We needed to get control of the shares of SCI or it could have been nearly impossible get control of the building.

Now that we have 100% of the shares and the note for the loan has been transferred over to the SMRHS, we are now in the driver's seat and can maintain the building which houses our layout, our archives and the place we spend so much time with our friends. Our Home.

This was definitely a team effort. Every member of the Board of Directors was involved. Particular thanks go to Dave Launderville, Dave Megeath, Dave Good, Scott Inman, Don Thamer, Lu Good, Ken Martin and Kermit Paul for making it happen.



EDITORIALS



Dave Megeath
SMRHS
Out-Reach
Program
Chairman

I am very proud of the actions taken to preserve the home of the Sacramento Model Railroad Historical Society. Before I sprain my arm patting myself and other board members on the back, let me explain.

Any of you out there that have a year of time under your belt

as a regular member can run for a position on the SMRHS' board of directors. With it comes responsibility, accountability, and authority. Heavy terms from Management -101:

- **Responsibility** - provide guidance to assure we have a safe, enjoyable experience; promote the organization to the outside; assure the financial health of the business is maintained.
- **Accountability** - we are running a not-for-profit business; be ready to help make decisions both of a short and long range impact; realize our individual actions as board members reflect on the society as a whole.
- **Authority** - take action as signatory on legal documents and bank accounts; deal with 'issues' that may occur in the day to day running of the society.

The board of directors has been working since 1999 to set up the legal and business framework to get to where we are today. July 2nd, 2000, we received an Advance Ruling from the Department of the Treasury/Internal Revenue Service granting the Sacramento Model Railroad Historical Society exemption from federal income tax under section 501 (a) of the Internal Revenue Code as an organization described in

section 501 (c) (3). It was at this momentous point in time that we literally ceased to be a 'club' and became a publicly supported organization (more on this later). As of January 24, 2004, The Sacramento Model Railroad Historical society has been a legal corporation recognized by the State of California.

I have been on the SMRHS board of directors continuously in one role or another for many years and have been relentless in terms of pushing to improve our 'home'. Minor things like insulating the attic to major things like starting over on the standard gauge. All with "Build it, they will come" in my head (one of many voices - don't worry).

The BIG goal was accomplished over the past eight years -- we have steadily worked to gain control of the outstanding shares of the for-profit Sierra Central Investments corporation with the end-goal in mind of owning 100% of the shares which then opened the gate for us to collapse the for-profit corporation into our not-for-profit corporation. We all owe a debt of gratitude to the shareholders who originally banded together to purchase the property - and an additional thank-you for those who donated their shares to the not-for-profit corporation.

Back to my remark that the Sacramento Model Railroad Historical Society is a publicly supported organization. Did you realize that your board of directors must report each year to the State Attorney General regarding the on-going business of our corporation? The assets of the SMRHS belong to us as long as we continue to provide a service to the public - should we ever cease to operate, the assets will roll up to the State of California and can be potentially transferred to another not-for-profit California corporation.

(Continued on page 5)

EDITORIALS - (continued)

So we are publicly supported, what does that mean? Two things come to mind:

1. The SMRHS must continue to provide a public service, reaching out to the community. Today we do that with open houses, hosting Boy Scout "Railroading" merit badge classes, publishing the newsletter that is free and posted on our web site, and the occasional clinic. We can and should do more. Pull your head out of your foamer book on Rivets of the WP and help -- organize an Operation Lifesaver presentation, a history presentation, a clinic, be a guest-speaker ... get the idea?
2. We need your financial support - let's spiff up our home and make it a safe and enjoyable place. As regular members we each pay \$240/year in dues - this keeps the doors open and pays for layout projects. It does not cover the major expenses we would all like to see made to 1) re-roof the main building, 2) install heat/air conditioning, and 3) repave the parking lot and dress up the outside appearance. Thank you in advance for donations beyond dues that you have already made this year (however) I encourage you to make at least a \$200 donation between now and the end of September that will be directed to these major facility improvements. See Dave Good for the 'premiums' that we also will give you depending on your level of contribution. Let's get this roof replacement done before the winter rains hit. We can do this!

THIS IS OUR HOME NOW. Take pride in what we have done and please help us with your donation of time and money.



Photo by: Joe Minor

EDITORIALS - (continued)

It has been a long time coming! From the very beginning when the SCI was able to provide a home for the Sacramento Model Railroad Club, now the Sacramento Model Railroad Historical Society, I never thought of it as two organizations. From a legal standpoint it had to be that way, to me the Investors were more a "committee" within the club that financially provided the place where the Club could thrive: and we have.



Lu Good
President
Sierra
Central
Investments

On Thursday June 26, 2008, I signed over the property at 1990 Grand Ave. to the SMRHS. On Friday, June 27, 2008, Ken Martin, Don Thamer and I signed the last document that would dissolve the Sierra Central Investments, Inc..

We pass the torch!

It is with great honor, pride and pleasure that I lay down the gavel and happily cease to be the president of the Investors. I can now, once again, be just a plain, ordinary member and have fun playing with trains!

We enter a new era with a huge bump in the road removed. It can only get better!

Best Regards.

Lu Good
FORMER President
Sierra Central Investments, Inc.



As one of the senior most members of the SMRHS (I think I'm #7 on the active roster), there are many things that I have done and witnessed around the Society where I can honestly say, "I'm proud of that!"

Four years ago, with my return to the BOD, my first and only goal was to initiate dialogue between the directors of the SMRHS and Sierra Central Investments, to find a way to end the stalemate that had grown between SMRHS and SCI.

The planets must not have been in alignment as neither side seemed to have the answers nor the resources to turn the tide.

Four years later, with the constant prodding of a very persistent SMRHS board member (not me but his name is Dave too), abundant financial resources thanks to a boom in membership over the past two years and some of them planets finally getting in line, we were able to complete the dream.

Today, I write this as one of 11 people who, in the past five months, found a way to get past the final hurdles to close one chapter of our history and begin a new one. Everyone deserves a big pat on the back, but there's one who, for personal bias reasons, stands out for me.

That guy on the left side of the page - that's my dad. He's *IS* the senior most member of the society of over 40 years. He has been President of SCI, the "Club" (before SMRHS), and held the position of Treasurer itself for 15 years. He has done and continues to do things for this group that goes above and beyond. When I grow up - I want to be like him. Until then - **Dad, Thanks and I'm proud of you!**



Dave Good
Son of that
guy on the
left



History in the Making



Sierra Central Investments, Inc. President, Lu Good, signs the Quitclaim Deed with Notary Public, Gerald Van Wagner checking the details on Thursday June 26, 2008. In this, one of his last official duties as SCI President before dissolving that corporation, Lu made history by transferring ownership of the 1990 Grand Ave. property to the Sacramento Model Railroad Historical Society, Inc., marking the first time in our 60 year existence that we've owned our own home.

Photo by Dave Megeath

The Sacramento Model Railroad Historical Society

Would like to thank the individuals who, in 1987,
Formed Sierra Central Investments, Inc.
and purchased the property at 1990 Grand Ave.

Without them, the SMRHS might not have a place to call home today.
These people went above and beyond the call
and supported their organization in its moment of need.

Their selflessness is proudly noted and greatly appreciated.

Thank-you

Lu Good

Ken Martin

Bob Rohwer

Don Thamer

Jim Davis

Kermit Paul



Phil Rohrke

Bud Stringham

Ken Maddux

Jesse Menefee

Jim Fisher

Bob Browner

Dick Denison