

NRHS FUND Quarterly Board of Trustees Teleconference Meeting

April 26, 2023

BOT Voting Members Present

Robert Ernst, President

R Victor Varney, Vice President

Jeff Smith

Wes Ross

Michael Walker

Bob Bitzer

BOT Voting Members Not Present

Cynthia Atwood, Treasurer

BOT Other Members Not Present

John Fiorilla, Secretary and Counsel

Kevin Feeney, Controller

Others Present

Tony White, President NRHS

Meeting Begins at 5:01 pm Eastern Time. Quorum Present.

- 1) Minutes prepared by John Fiorilla for the prior quarterly teleconference held on February 6, 2023 were approved.
- 2) RKL has provided a draft 2021 Form 990 for the NRHS Fund, and a letter to submit to the IRS explaining the late filing for the 2021 Form 990. Cynthia Atwood was approved to pay RKL for the outstanding invoice to the NRHS Fund. In addition, RKL has prepared a draft 2021 audit report that combines the NRHS and NRHS Fund. Bob Bitzer will handle getting the NRHS to approve this audit report and then send to Bowers (our new auditor). Bob Bitzer will also file necessary NRHS and Fund tax forms to the Commonwealth of Pennsylvania with payment of late filing fines associated with year 2021.
- 3) As of March 31, 2023, the TD Bank Checking and Savings accounts have \$40,092.75 and \$27,746.17, respectively. The Wells Fargo Advisors investment portfolio was valued on March 31, 2023 at \$1,021,983.66.
- 4) A discussion was had regarding a lack of consolidated balance and income statements going back more than a year for the NRHS Fund. Bob Bitzer explained that Carol Ann Cornelius had the bookkeeping skills to provide these statements for the NRHS Fund and NRHS, but she is no longer able to do this. Likewise, Cynthia Atwood who is the NRHS Fund Treasurer is not a bookkeeper or familiar with QuickBooks as needed to prepare these statements. Bob Bitzer also

explained that his requests for a NRHS member with these skills sent out in the NRHS News have gone unanswered. The situation is now at a point where a firm or individual with the suitable bookkeeping skills needs to be retained. Bob Bitzer mentioned that Bowers has a separate accounting division from the audit division we have retained that could provide this bookkeeping service to us. Jeff Smith discouraged using Bowers and finding a separate accounting firm to handle our bookkeeping. This is going to be a priority topic for the NRHS Board meeting coming up in Sparks, NV on Sunday May 21.

- 5) A discussion with Wells Fargo Advisors on April 20, 2023 attended by Bob Ernst, Victor Varney, and Tony White was shared with the BOT members. Tony White offered that he was very pleased with the discussion and came to appreciate the well thought out investment plan by the WFA team for the NRHS Fund. With WFA we resumed our discussion about our portfolio weighting of 70/30 equity/fixed income being adjusted to 60/40. However our portfolio is currently at a 65/35 weighting mostly due to our continued investment of available cash into short term CDs over the past year (now amounting to a total around \$70K). As some of these CDs mature over the upcoming months (2 this summer), we will continue to assess re-investing available cash into short term CDs or a money market fund. One fund option suggested by WFA is currently paying a little more than 5% annually with interest being accrued daily and flexibility to trade back into cash with accumulated interest at any time. This may be an option for future cash available within the WFA portfolio over the next few months. We will speak with the WFA team again in late August in preparation for our next NRHS Fund meeting on Sept 1 at the NRHS Conference in Florida. A motion was offered by Victor Varney to close the TD Bank Savings account and move all funds (approx. \$27K) to the TD Bank Checking account. Within the next few months we will determine how much of this \$67K may need to be provided to the NRHS for the Heritage Grant program, and/or available to transfer to the WFA investment account to generate a better return. Most likely this will be a topic for a decision at the next NRHS Fund meeting.
- 6) Bob Bitzer is still assessing any fund transfers that may be appropriate between the NRHS Fund and the NRHS. Funds may need to transfer to the NRHS for the Heritage Grants program in the next month or two. There may also be some excess funds determined on the NRHS side that would be appropriate to generate a better return even if for a short period by placing in the WFA investment account. All this should be a topic for the next NRHS Board meeting to be held on May 21.
- 7) Jeff Smith shared that the inability to get a Donate button on the NRHS Facebook page is because Facebook cannot see meaningful indications in our posts that we are serving as a non profit. (Instead of predominately as a re-poster of railroad related created by other content providers.) A short discussion ensued about how this might get fixed on the NRHS Facebook page given the significant potential fundraising possible with a Donate button on Facebook. Skip Waters constantly asks for content he can put up on our Facebook page. Lacking that he posts what he can to generate interest and traffic to our Facebook page. It was suggested that perhaps a concerted effort be made to have the Heritage Grants, Rail Camp, and Film Preservation teams provide content monthly for our Facebook page. In addition, sharing articles

published in the NRHS News about chapter preservation and other projects that reinforce the non-profit mission and impact of the NRHS. Could an 80/20 ratio on our Facebook page be possible for “NRHS non-profit positive impact content” vs “repurposed rail interest content”? Of course, each of the NRHS teams providing content could expect to share in the donations received on Facebook consistent with the “non-profit positive impact content” they provide. Additionally it was discussed how social media fund raising requires skills unlikely to be found within the NRHS membership. More generally the same for marketing/PR skills (like the bookkeeping challenge discussed earlier). Jeff Smith offered to provide a write-up to describe some next steps here. Like the bookkeeping issue, the Facebook, social media marketing, and more generally a need for marketing/PR capabilities to be retained by the NRHS should be discussed at the upcoming Advisory Council and Board Meeting on May 21.

- 8) A brief discussion was had about the way we schedule NRHS Fund BOT quarterly meetings. Since the beginning of 2020 Victor has been using an online survey tool to collect BOT member’s availability to set a quarterly meeting that can be attended by the most members. For some however this has been problematic due to other work and life commitments that can come up. So a proposal was offered that beginning in 2024, the NRHS Fund will set a schedule for the entire year for the three quarterly meetings to be on a set evening during a month each quarter, plus the face to face meeting that will occur at a NRHS conference or convention. Victor will bring a 2024 schedule to the next meeting on Sept 1 for approval. This will considerably reduce the time and effort on the part of Victor setting up each of these quarterly meetings and give our members a much longer advance notice of when our meetings will happen to lock on their calendars.
- 9) During a fundraising discussion about setting a goal to grow the NRHS Fund investment portfolio from \$1M to \$2M over the next 4 years, several ideas were shared. While achieving as much as half this goal could be achieved thru continued gains in our investment account, the balance to hit this target is going to need a concerted fundraising effort to secure \$100,000 to \$150,000 each year. Bob Bitzer emphasized that we need to set up a clear estate planning program that we can promote to members and non-members this year. Jeff Smith advocated that a professional fundraising expert or firm be retained. It was also suggested that this be a topic to bring up at the Advisory Council and Board Meeting on May 21.
- 10) The BOT terms for Mike Walker, Bob Ernst, Bob Bitzer and Victor Varney all expire at the end of 2023. A process needs to get underway led by Bob Ernst with the NRHS Board to determine to continue or change any of these 4 trustees in time for the next NRHS Fund meeting on Sept 1.
- 11) At the September 1 face to face quarterly meeting at the convention in Florida, right now Bob Ernst, Bob Bitzer, and Victor Varney plan to attend in person. Jeff Smith and Wes Ross plan to attend by phone. TBD are Mike Walker, Cynthia Atwood, John Fiorilla, and Kevin Feeney.

Meeting Ends at 6:55 pm Eastern Time.