



As approved by the Board on June 4, 2017 via email.

**Meeting Minutes  
NRHS Board of Directors  
Crowne Plaza Hotel, Claymont, DE  
Saturday, April 1, 2017**

Pursuant to notice, the Board of Directors of the National Railway Historical Society, Inc. met at the Crowne Plaza Hotel, Claymont, DE on Saturday, April 1, 2017.

**Call to Order - Open Session**

President Al Weber called the meeting to order at 1:30PM EDT on Saturday, April 1, 2017.

**Welcome and Roll Call**

President Al Weber welcomed the Directors to this meeting. The Board attendance for this meeting was as follows:

Name	Office	Present	Absent
Al Weber	President (2014 - 2018)	1	
Joseph C. Maloney, Jr.	Vice President (2016 - 2020)	1	
David Flinn	Global Director (2014 - 2018)		U
E. Steven Barry	Global Director (2014 - 2018)	P	
Walter Zullig	Global Director (2016 - 2020)	1	
Robert J. Ernst	Global Director (2016 - 2020)	1	
William Brotherton	Global Director (2016 - 2020)		E
R. Douglas Scott	District 1 Director (2014 - 2018)		E
Tony White	District 1 Director (2016 - 2020)	1	
Harold Shaak	District 2 Director (2014 - 2018)	1	
Charles Webb	District 2 Director (2016 - 2020)	1	
Frank Fowler	District 3 Director (2014 - 2018)	1	
Ralph Robert Bitzer	District 3 Director (2016 - 2020)	1	
Sanford Williamson	District 4 Director (2014 - 2018)	1	
Charles S Williams	District 4 Director (2016 - 2020)	P	
Jim Pahris	District 5 Director (2014 - 2018)	1	
Wesley F. Ross	District 5 Director (2016 - 2020)	1	
John Goodman	District 6 Director (2014 - 2018)	1	

Duane Durr	District 6 Director (2016 - 2020)		E
Steven Siegerist	District 7 Director (2014 - 2018)	1	
Skip Waters	District 7 Director (2016 - 2020)	P	
Jeffrey S. Smith	District A Director (2014 - 2018)		E
Wes Weis	District A Director (2016 - 2020)	1	
Jack Hilborn	District B Director (2014 - 2018)	1	
Ricky Durrant	District B Director (2016 - 2020)	P	

P = Attended via phone E=Excused Absence U=Unexcused Absence

There was a quorum present in order to conduct business.

General Counsel John Fiorilla and Asst. General Counsel Scott Andes were in attendance and Comptroller Bob Heavenrich was attending via the phone.

**Approval of October 2016 Meeting Minutes**

The minutes of the Fall 2016 Board of Directors' Meeting were approved via email and posted to the admin site on December 8, 2016.

**Reports**

**President – Al Weber**

Al discussed the need for the NRHS to be known and to find ways to spread our name to make it known. To help grow our membership and to promote the NRHS it will be necessary to spend money for promotions either in print or via web services.

He attended the 2017 Railroad Day on the Hill in Washington, DC, visiting with 12 U.S. Representatives throughout the day. Some of the Representatives expressed an interest in the programs of the NRHS, especially RailCamp.

**Vice President Joe Maloney**

Joe submitted a written report prior to the meeting. (Appendix B)

**Membership Awards** – Joe has completed the distribution of all membership awards for 2017.

**Library Committee** – Plans have come together for the removal of all library materials and records from the current storage facility, NLR, in Three Rivers, MA. The majority of the library material will be sent to the DeGolyer Library in Dallas, TX. More details will come as soon as DeGolyer Library is ready to receive the material.

**Film Project** – Joe reports that all of the 8mm film has been digitized with the exception of a film with sound. Help is being sought from chapters to identify locations and equipment within the films.

Marlin Taylor, reporting on the 16mm films of the NRHS Library, noted that he is working with Mitch Dakleman to begin the digitization process of the films. This is a process which will need to bring in outside contractors, unlike the 8mm project being led by Tom Coughlin. The NRHS 16mm films include the collection of Don Ball and George Meyer. All films are safely stored in Western New Jersey. Marlin is encouraging the NRHS to continue to pursue and raise funds for this project.

#### **Treasurer - Bob Bitzer**

Treasurer Bob Bitzer reported that he is working on an investment strategy for the NRHS. He is talking with the Trustees of the NRHS Fund to administer the investments. Bob has a proposal which he will present to the Board in New Business.

PGA is preparing for the 2016 audit.

Bob did a review of the NRHS finances. The Society is currently running in the black. This is a combination of costs being held in check and the numerous members volunteering their time. He thanked Board member Steven Siegerist for his efforts on the membership dues renewals. Steve has been processing the checks received from the membership for the 2017 renewals.

Bob Heavenrich, NRHS Comptroller reviewed the financial reports (Appendix C) with the Board. Besides the report he noted that the NRHS is in the final year of a 3 year agreement with PGA for audits. A new contract will be required for PGA or with another firm.

Bob Bitzer made a request to the Chapter Representatives that if their chapter is assisting members to renew with the NRHS to use the NRHS Renewal Form. This form is available upon request from Hugh Harris.

#### **Secretary - Bob Ernst**

Bob reported the minutes for the Fall 2016 BOD Meeting were posted to the NRHS Admin site on December 8, 2016.

The meeting notice and proxy for the 2017 NRHS Annual Membership Meeting will be mailed about May 9, 2017. There is no formal business to be presented to the membership at the meeting.

**General Counsel - John Fiorilla**

John reported that NRHS correspondence is being routinely handled by him with assistance from personnel in his law firm. He noted a recent increase of dues renewal mail because of the second notice. All renewals have been forwarded to Steve Siegerist and Bob Bitzer in a timely manner.

He has been reviewing contracts for RailCamp and is receiving quotes for insurance. Quotes are coming in for RailCamp and the 2017 Convention and he should be able to get lower premiums.

John is available to handle NRHS related legal questions from chapters and members.

**Membership Records – Skip Waters**

Skip thanked Jon Baake for his work on the NRHS membership brochure. Jon brought copies of the brochure to the meeting for distribution.

Skip also thanked Hugh Harris for the extreme effort to keep the renewal process working and updating the database in Amilia.

**Advisory Council – Del Kittendorf**

The Advisory Council elected Scott Andes to the position of Vice Chairman. He will assist Del during the AC meetings and chair the meetings in Del's absence.

The Advisory Council wants the Board to consider forming a committee to create a chapter definition.

The Advisory Council is calling for a fund raising promotion to benefit the Heritage Grants Program.

**RailCamp – Becky Gerstung**

Becky reported that both camps should be full, with 25 campers for the East and 13 for the Northwest Camp. She noted that about one-third of the campers discovered RailCamp via the internet. Activities, accommodations and logistics are in place for both camps.

**NRHS Fund – Wes Weis**

Wes reported the NRHS Fund's Trustees met on Friday evening, March 31, 2017. The Fund has taken over the responsibility of distributing donation acknowledgement letters. The Trustees discussed the need for better fundraising methods and will be investigating long-term investments.

**Publications*****NRHS Bulletin* – Jeff Smith**

A written report was presented to the Board prior to the meeting. (Appendix D)

***NRHS News* – Charles Williams**

Charles reported the *NRHS News* is on schedule for the year. Articles are always appreciated.

***NRHS Telegraph* – Valli Hoski**

Valli is in need of articles for the *Telegraph* relating to the business of the NRHS. She would like to see a link to the NRHS membership brochure for online usage.

**Inspector General – Walter Zullig**

A written report was presented to the Board prior to the meeting. (Appendix E.)

**Discount List – Wes Ross**

Wes reported the 2017 Discount List is ready and will be out on schedule in June. Wes also reported the application for the 2018 CFC is completed and submitted for approval.

**Conventions – John Goodman**

**2016 Denver, CO** – A financial review was part of the earlier Treasurer's report. Expenses are being closed. All donations received during the convention were directed to the NRHS Fund.

**2017 Nashville, TN** – Sales for the convention have begun. John noted that a few registrations have been received via the mail. To date about 200 registrations have been processed. All events and seminars are confirmed.

**2018**

John reviewed the three locations under consideration.

Albuquerque, NM is one location where the restoration of a steam engine, AT&SF 2926, is nearing completion, but not guaranteed to be ready in time for the convention. No coaches are associated with the steam engine so all equipment would need to be brought to Albuquerque. The Amtrak west coast excursion set is not available until late September.

Roanoke, VA is another location where the NS 611 is available for excursion use. The issue with this scenario is NS will not support excursions after the 2017 excursion season. Amtrak may be an option as the operator but this is not guaranteed either. Possible dates around Memorial Day or Labor Day.

Cass, WV home of the Cass Scenic Railroad is the third and most viable option. Dates are flexible with hotels that can handle the convention near the town. Other tourist railroads are available. The drawback is the lack of transportation to the area without the use of a car. Some of the venues would be a long bus ride to reach. The C.P. Huntington Chapter and the Roanoke Chapter are offering assistance to set-up this convention.

**Motion:** Joe Maloney motioned and Jack Hilborn seconded that the 2018 NRHS Convention be located in Cass, WV area in late August. The motion passed 14 yea, 1 no and 1 abstained.

### **2019 – Salt Lake City**

John reported the Union Pacific Railroad has not set any plans for excursions at this time. Hotels in Ogden, UT are not available and he is looking at hotels in Salt Lake City.

### **Conferences – Bob Bitzer**

#### **Fall 2017 – Kansas City**

The dates for the Fall Conference will be October 19 – 21, 2017. The Conference will be held at the Westin Hotel Kansas City at Crown Center located near Kansas City Union Station. The room rate is \$139 per night plus tax.

Activities on Friday will include a tour of Union Station and a trip on the Kansas City Streetcar with a shop tour. Saturday will be the meeting day. There may be an optional trip on Sunday on a private car, round trip to St. Louis on the rear of the scheduled Amtrak trains.

A flyer for the Conference will be available at the Nashville Convention.

#### **2018 and beyond**

Bob Bitzer is seeking proposals for future Conferences.

### **Unfinished Business**

#### **Actions of the Executive Committee**

The Executive Committee reinstated the charter of the British Columbia Chapter in January, 2017.

**New Business****a) British Columbia Chapter**

The President of the British Columbia Chapter, Barrie Sanford, was in contact with NRHS Secretary Bob Ernst regarding the action taken by the Board in the Fall. He is asking the Board to rescind the motion. The organization wants to continue as a Chapter of the NRHS. Barrie forwarded a check to the NRHS Treasurer, Bob Bitzer, to cover all dues required for 2017.

**Motion:** Wes Ross motioned and Walter Zullig seconded to rescind the motion presented to the Board at the 2016 Fall Conference in Portland, OR to withdraw the charter of the British Columbia Chapter. Passed by voice vote.

**b) Chapter Withdrawal – Yadkin Valley Chapter**

The Yadkin Valley Chapter returned their charter due to lack of membership.

**Motion:** John Goodman motioned and Jim Pahriss seconded to withdraw the charter of the Yadkin Valley Chapter. Passed by voice vote.

**c) Move Subscriptions to Affiliate Group**

Steve Siegerist introduced this subject.

Membership category C296 is "organizations". Corporations or other museums in this category could now fall into the affiliate status, which could enrich our treasury with its higher dues amount.

**Motion:** Steve Siegerist motioned and Bob Ernst seconded all organizations that fall into the C296 membership category will receive a letter from the NRHS during the third quarter of 2017 advising them of the new category for membership in the NRHS and the dues associated with this category. The letter should offer the recipient the option of renewing at the new rate as an organization, or having one of their members renew at the individual rate. When dues renewal notices are issued, these organizations will get an invoice for \$250 or \$500 depending on their corporate status.

Passed by voice vote.

**d) Student Membership****e) Youth Membership**

A discussion on the categories of Student and Youth memberships ensued. There are a number of issues that need to be worked through to create the definitions. President Weber asked Jon Baake, Ron Gawedzinski and Steve Siegerist to work on the definitions as a committee and bring a draft to the Nashville meeting for action.

**f) Gerstung Fund Definition**

**Motion:** Walter Zullig motioned and Wes Ross seconded to approve the definition of the Gerstung Fund: Funds in this account are restricted to pay for expenses incurred for operating the NRHS RailCamp program, including funds to be used for RailCamp scholarships, and any other educational opportunities that may arise and are deemed qualified by a majority vote of the Board of Trustees.

Becky Gerstung asked the Board to table this item until the Nashville meeting to give her some time to review this definition to ensure it meets the intent of the fund's original concept. This will be added to the Nashville meeting agenda.

**g) Restricted Funds Definitions**

**Motion: Library Fund** - Jack Hilborn motioned and John Goodman seconded to approve the definition of the Library Fund: Funds in this account are restricted to pay for expenses incurred for operating and maintaining the NRHS collections of printed materials, including books, periodicals, timetables, photographs and maps. The funds in this account may be used for paying expenses incurred to acquire, transport, handle, store and display the printed library materials. Passed by voice vote.

**Motion: Heritage Grants Fund** – Walter Zullig motioned and John Goodman seconded to approve the definition of the Heritage Grants Fund: Funds in this account are restricted to pay for specific NRHS Grants awarded to various awardees as designated by the NRHS Heritage Grants Committee. Passed by voice vote.

**Motion: Motion Picture Film Preservation Fund** – Jim Pahriss motioned and Frank Fowler seconded to approve the definition of the Motion Picture Film Preservation Fund: Funds in this account are restricted to pay for expenses incurred for operating and maintaining the NRHS collections of motion picture films, including all forms of railroad-related visual media. The funds in this account may be used for paying expenses incurred to preserve and copy (digitize) films, transport, handle, store and display the motion picture films owned by NRHS. Passed by voice vote.

**h) NRHS Short Term CD and Treasury Bill Investment Proposal**

**Motion:** Bob Bitzer motioned and Tony White seconded that the NRHS Board of Directors authorize the NRHS Treasurer and/or the NRHS Assistant Treasurer to research, establish and maintain on behalf of the Society, short term, maximum of 1 year, insured CD accounts and T-Bill accounts for the purpose of safely investing Society Funds. The amount of these invested funds must not be needed for current, anticipated operating expenses. Passed by voice vote.



**i) Investment Committee**

During the NRHS Fund Meeting it was decided to hold on creating this committee until the Nashville meeting. This will be added to the Nashville meeting agenda.

**j) Heritage Grants money from Unrestricted Funds**

**Motion:** Walter Zullig motioned and Wes Ross seconded to add \$11,772 from Unrestricted Donations to the Heritage Grants. Passed by voice vote.  
The total amount for 2017 Heritage Grants Awards is now \$20,000.

**k) Amilia Replacement**

**Motion:** Steve Siegerist motioned and Frank Fowler seconded to authorize the President and the committee of his choosing to negotiate a contract with a dues service provider for the maintenance of the membership database. Passed by voice vote.

**l) Other New Business****1- Proposed NRHS Military Sponsorship Program**

**Motion:** Charles Webb motioned and John Goodman seconded to approve the NRHS Military Sponsorship Program as outlined in the report presented by Ken Mosby. (Appendix F)

Steve Siegerist motioned to table this matter until the Nashville meeting. The item will be added to the agenda of the Nashville meeting.

**2- NRHS Bulletin Digitization Project**

**Motion:** Joe Maloney motioned and Bob Ernst seconded to authorize the *NRHS Bulletin* Digitization Project and to authorize an expenditure not to exceed \$15,000 for the scanning of the *NRHS Bulletin* as outlined in the report provided by Jeff Smith. (Appendix G) Passed by voice vote.

**3- Elder Membership Dues**

**Motion:** Jim Pahriss motioned and Joe Maloney seconded that anyone ninety years of age or older and have at least 25 years of NRHS membership pay one-half of membership dues. Passed 12 yea, 7 no.

**4- Chapter Definition**

President Weber appointed a committee to create a definition of a chapter to be presented at the Nashville meeting for discussion. The committee consists of Jon Baake, Ron Gawedzinski, Valli Hoski, Carl Jensen, Jim Pahriss and Frank Fowler.

**Announcements**

Walter Zullig presented to the Board and members in attendance the 2017 Heritage Grants Award recipients. (Appendix H)

General announcements were made.

**Adjournment**

**Motion:** John Goodman motioned to adjourn.

The Board meeting adjourned at 5:43PM.

Respectfully Submitted:

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Robert Ernst  
NRHS Secretary

### Appendix A Members and Guests in attendance

**National Representatives    X – In Person   P – Via phone**

Chapter	#	Last Name	First Name	Present
Arkansas-Boston Mountains Chapter	188	Eddy	Kenneth	<b>X</b>
Atlanta Chapter	046	Kittendorf	Delmar	<b>X</b>
Baltimore Chapter	003	Shulby	Richard	<b>X</b>
Blue Ridge Chapter	043	Leslie	Robert	<b>X</b>
Cape Cod Chapter	183	Ballard	Roberta (ALT)	<b>X</b>
Central Coast Chapter	097	Graham	Edward	<b>X</b>
Central New York Chapter	020	Post	Edwin	<b>X</b>
Cincinnati Chapter	110	Andes	Scott	<b>X</b>
Collis P. Huntington Chapter	048	Hensley	Timothy	<b>X</b>
Connecticut Valley Chapter	012	Ballard	Roberta	<b>X</b>
Delaware Valley Chapter	113	Duminiak	Leon	<b>X</b>
George L. Carter	242	Pahris	Charlotte	<b>X</b>
Gulf Curve Chapter	189	Lazur	Harla	<b>X</b>
Hoosierland Chapter	186	Harris	Hugh	<b>P</b>
Inland Empire Chapter	089	Simanton	John	<b>X</b>
Kentucky Central Chapter	194	Ross	Shirley	<b>X</b>
Lackawanna & Wyoming Valley Chapter	132	Verbyla	Anthony	<b>X</b>
Lancaster Chapter	001	Shaak	Helen (ALT)	<b>X</b>

Leatherstocking Chapter	167	Lazur	Mark	<b>X</b>
Miami Chapter of	044	Boldrick	S.	<b>X</b>
Niagara Frontier Chapter	017	Gerstung	Rebecca	<b>X</b>
North Florida Chapter	160	Fiorilla	Marjorie	<b>X</b>
North Texas Chapter	223	Hoski	Valli	<b>X</b>
Old Smoky Chapter	049	Freeman	Robert	<b>X</b>
Pacific Northwest Chapter	032	Baker	Al	<b>P</b>
Philadelphia Chapter (Alt)	004	Senin	Peter	<b>X</b>
Piedmont Carolinas Chapter	129	Shulby	Richard	<b>X</b>
Potomac Chapter	116	Davidson	Richard	<b>X</b>
Pottstown & Reading Chapter	120	Sweigart	John	<b>X</b>
Rivanna Chapter	134	Wells	Don	<b>X</b>
Roanoke Chapter	036	Jensen	Carl	<b>X</b>
Saint Louis Chapter	064	Gawedzinski	Ron	<b>X</b>
Tacoma Chapter	071	Bernsten	Edward	<b>P</b>
Tidewater Chapter	033	Harris	Ned	<b>X</b>
Utica & Mohawk Valley Chapter	150	Lazur	Mark	<b>X</b>
Washington DC Chapter	019	Baake	Jon	<b>X</b>
West Jersey Chapter	018	Ciocciola	Frederick	<b>X</b>
Western Connecticut Chapter	030	Ballard	Roberta	<b>X</b>

Western Maryland Chapter	148	Soderman	Ricahrd	<b>P</b>
Wilmington Chapter	088	Posatko	Thomas	<b>X</b>

**Members and Guests**

**Dave Banewicz**  
**James Badgley**  
**Marlin Taylor**  
**Patti Webb**  
**Skip Reinhard**  
**Sheila Dorr**  
**Donald Wells**  
**Peggy Sweigart**  
**Jim Curtin**  
**Jay McFarland**  
**Dawn Holmberg – Phone**  
**Carol Ann Cornelius – Phone**

## NRHS VP Notes

### Spring 2017 BOD Meeting

- **Membership Awards**
  - Individuals
    - 2 – 70 years
    - 7 – 60 years
    - 28 – 50 years
    - 154 – 25 years
  - Chapters' Anniversaries
    - Seven Total
    - Niagara Frontier – 75 Years, Presented 18-Mar-17
    - Winchester – 50 Years, Presented 11-Mar-17
    - Charleston – 50 Years, Scheduled 08-Apr-17
    - Gulf Coast – 50 Years, Date TBD
    - Wilmington – 50 Years, Date TBD
    - Inland Empire – 50 Years, Schedules 05-Sep-17
    - Red River Valley – 50 Years, Date TBD
- **Library Move**
  - Working with DeGolyer to set schedule – no firm dates
  - NLR meeting next week to lay out move plans
    - Bulletins – Ship to Jeff Smith for digitizing?
    - Photos & 35 mm Slides – Ship to Dakelman
    - Corporate Records – Ship to Bitzer Storage Site
    - PHL Street Plats – TBD
    - All the rest to DeGolyer
- **Film Digitizing**
  - 8 mm – Tom has requested and is waiting for various Chapters' Inputs
  - 16mm – Call on Marlin
- **General Staff Work**
  - Amilia Replacement
  - Define Proposed Parameters for Restricted Funds Accounts
  - Work with Jeff Smith to Develop Bulletin Digitizing Proposal
  - Started Chapter Membership Updates

## Appendix C

### NRHS Income and Expenses (Preliminary)

	2014 Actual Audited	2015 Actual Audited	2016				2017 Budget
			Actual Unaudited	Budget	Over Budget Unaudited	Percent of Budget	
Income							
4100 · Dues	411,340	311,880	246,314	300,000	-54,087	82%	225,000
4200 · Interest and Dividends	49	31	7	0	0	0%	0
4300 · Sales	6,705	3,168	3,272	3,000	272	109%	3,500
4400 · Convention Parent	165,298	273,616	116,556	250,000	-133,444	47%	110,000
4450 · RailCamp Income	53,900	46,600	45,450	45,000	450	101%	45,500
4600 · Other Events	1,600	1,905	0	0	0	0%	0
4800 · Unrestricted Donations	64,841	57,243	56,893	60,000	-3,107	95%	46,000
4900 · Restricted Donations							
4910 · Library	305	29	0				
4911 · Film/Video Library	0	0	700				
4920 · Grants	4,530	14,704	9,622				
4930 · Railcamp	3,822	9,468	10,674				
4940 · RailCamp Scholarships	12,626	1,718	453				
4960 · Preservation	13,767	2,074	6,009				
4990 · Total Other Restricted Donations	0	6,770	1,170				
4900 · Total Restricted Donations	35,049	34,763	28,628	20,000	8,628	143%	30,000
4999 · Other Income	1,253	3,076	10	0	-10	0%	0
Total Income	740,034	732,281	497,130	678,000	-180,870	73%	460,000

NRHS Income and Expenses (Preliminary)

	2014 Actual Audited	2015 Actual Audited	2016				2017 Budget
			Actual Unaudited	Budget	Over Budget Unaudited	Percent of Budget	
Expense							
5100 · Convention	166,415	270,044	111,176	240,000	-128,824	46%	100,000
5200 · NRHS Bulletin	18,347	27,546	45,048	60,000	-14,952	-301%	60,000
5300 · NRHS News	30,490	6,000	15,853	28,000	-12,147	57%	33,000
5350 · Misc. Publication Expense	6,800	2,580	1,200	3,000	-1,800	40%	3,000
5360 · Membership Communications	350	0	0	0	0	0%	0
5400 · Membership Records	13,342	13,292	14,609	20,000	-5,391	73%	17,000
5600 · Meetings & Travel	24,325	1,701	4,267	5,000	-733	85%	5,000
5700 · Staff Expenses	667	78		3,000	-3,000	0%	5,000
5800 · Admin. Office	9,450	5,078	3,347	0	3,347	100%	3,000
5950 · Financial Fees	5,347	6,565	18,551	18,000	551	103%	30,000
5990 · Interest Expense	250	116	0	0	0	0%	
6000 · Corporate	11,161	3,066	4,880	5,000	-120	98%	5,000
6050 · Accounting	35,189	40,425	29,335	40,000	-10,665	73%	30,000
6060 · Legal Fees	176,671	13,758	14,230	16,000	-1,770	89%	11,000
6090 · Insurance	5,288	8,542	7,136	5,000	2,136	143%	8,000
6100 · Public Relations	11,756	0	0	2,000	-2,000		
6150 · Advertising	7,535	0	824	8,000	-7,176	10%	4,000
6200 · Planning and Development	22,884	0	0	0	0		0
6300 · Fund Raising	4,093	500	0	10,000	-10,000		10,000
6400 · Sales	4,991	6,383	2,106	5,000	-2,926	42%	2,700
6500 · Services	32,963	11,504	7,617	5,000	2,617	152%	10,000
6600 · Library Operations	2,340	0	126	0	126	100%	0
6650 · Rent	6,659	9,779	13,114	11,000	2,114	119%	14,000
6700 · RailCamp	55,232	48,689	51,072	48,000	3,072	106%	48,000
6800 · IT Systems	258	0	0	1,000	-1,000	-100%	0
6900 · IT Systems Development	2,560	1,893	893	1,000	-107	89%	0
6999 · Other Expenses	0	-598	835	0	-835		0
7000 · Association Management Support	152,158	26,965	0	0	0		0
8000 · Depreciation - FFE	504	0	0	0	0		0
9100 · Grants	46,000	9,085	35,000	20,000	15,000	175%	16,000
9200 · Donations	126	4,200	0	0	0	0%	0
9300 · Library Acquisitions	863	0	700	0	-700		0
Total Expense	855,011	517,193	381,899	554,000	-172,101	69%	415,000
Net Income	-114,977	215,088	115,231	124,000	-8,769	106%	45,000



Preliminary NRHS Convention Financial Results

	Springdale	Rutland	Denver
	2014	2015	2016
	Audited	Audited	Unaudited
Income			
4400 Convention Income	166,415	274,495	116,556
Expenses			
5110 · Printing	15,215	10,060	939
5120 · Distribution	1,012	5,668	0
5125 · Association Management Support	17,434	15,834	0
5130 · Convention Staff Travel	2,899	2,496	7,335
5155 · Financial Fees	7,410	10,848	5,590
5160 · Transportation	74,499	191,000	60,730
5170 · Insurance	15,346	23,907	10,867
5180 · Supplies / Meals	31,403	22,434	19,785
5190 · Other Convention Expense	2,179	2,450	3,051
Total Expenses	167,397	284,696	108,296
Net Income	-982	-10,201	8,657
Percent Net	-0.6%	-3.7%	7.4%

Preliminary NRHS Balance Sheet Comparison

	Dec 31, 14 Audited	Dec 31, 15 Audited	Dec 31, 16 Unaudited
<b>ASSETS</b>			
Current Assets			
Checking/Savings	242,597	197,731	394,928
Accounts Receivable	1,554	0	0
Inventory	13,380	5,102	14,835
Prepaid Expenses	43,237	106	3,250
NRHS Fund Receivable	13,749	22,407	36,834
Loan to NRHS Fund	50,000	50,000	50,000
Total Current Assets	364,516	275,347	499,848
Historical Items	14,940	14,940	14,940
Other Assets	2,787	893	0
<b>TOTAL ASSETS</b>	<b>382,243</b>	<b>291,180</b>	<b>514,788</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Accounts Payable	74,190	5,173	6,155
Unpublished Bulletins	0	0	20,623
Deferred Income	270,636	43,502	140,275
Litigation Settlement	100,000	90,000	80,000
Total Liabilities	444,826	138,675	247,052
Equity			
Unrestricted Assets	52,840	36,021	34,848
Temporarily Restricted Assets			
Library	22,215	22,244	22,244
Grants	0	5,619	5,742
RailCamp	21,421	28,799	32,927
Educational Program	27,433	29,151	27,374
Preservation	0	2,074	236
Other Restricted Assets	0	0	537
Total Temporarily Restricted Assets	71,068	87,887	89,060
Permanently Restricted Assets	17,399	17,399	17,399
Retained Earnings	-203,890	11,198	128,834
Total Net Assets	-62,583	152,505	267,736
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>382,243</b>	<b>291,180</b>	<b>514,788</b>

Preliminary NRHS Fund Income and Expenses: 2014 to 2016

	2014 Audited	2015 Audited	2016 Unaudited	TOTAL 2014-16
<b>Income</b>				
4200 · Interest and Dividends	5	2	3	10
4800 · Unrestricted Donations	7,620	9,869	2,887	20,376
<b>4900 · Restricted Donations</b>				
4910 · Library	0	55	125	180
4911 · Film and Video Library	20,000	0	5,000	25,000
4920 · Grants to by issued by NRHS	0	1,810	2,676	4,485
4940 · RailCamp	0	208	2,309	2,517
4950 · Educational Program	0	0	200	200
4990 · Other Restricted Donations	200	0	1,200	1,400
<b>Total 4900 · Restricted Donations</b>	<b>20,200</b>	<b>2,073</b>	<b>11,510</b>	<b>33,782</b>
<b>Total Income</b>	<b>27,825</b>	<b>11,944</b>	<b>14,400</b>	<b>54,169</b>
<b>Expense</b>				
5700 · Office Expenses	0	73	0	73
5950 · Financial Fees	346	306	744	1,396
5990 · Interest Expense	6	0	0	6
6050 · Accounting Fees	0	7,570	9,825	17,395
6060 · Legal Fees	7,474	293	4,931	12,698
<b>6300 · Fundraising Fees</b>				
6310 · Fund Raising Consultant	1,050	0	0	1,050
6360 · Fund Raising Events	686	0	0	686
6300 · Fundraising Fees - Other	30,110	0	1,295	31,404
<b>Total 6300 · Fundraising Fees</b>	<b>31,846</b>	<b>0</b>	<b>1,295</b>	<b>33,140</b>
6500 · Program Services	0	0	2,310	2,310
8000 · Depreciation FFE	850	2,292	2,292	5,434
9311 · Film Preservation	8,056	0	0	8,056
<b>Total Expense</b>	<b>48,577</b>	<b>10,534</b>	<b>21,396</b>	<b>80,508</b>
<b>Net Income</b>	<b>-20,752</b>	<b>1,410</b>	<b>-6,997</b>	<b>-26,339</b>

Preliminary NRHS Fund Balance Sheet

	Dec 31, 14 Audited	Dec 31, 15 Audited	Dec 31, 16 Unaudited
<b>ASSETS</b>			
Cash Accounts	36,770	49,131	58,853
Fixed Assets	6,026	3,734	1,442
<b>TOTAL ASSETS</b>	<b>42,797</b>	<b>52,865</b>	<b>60,296</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
Accounts Payable	13,749	22,407	36,834
Loan From NRHS	50,000	50,000	50,000
<b>Total Liabilities</b>	<b>63,749</b>	<b>72,407</b>	<b>86,834</b>
<b>Equity</b>			
<b>Temp. Restricted Net Assets</b>			
Library	0	55	180
Film & Video Library	11,094	8,802	13,802
Grants	0	1,810	2,175
RailCamp	0	208	2,517
Educational Program		0	200
<b>Total Temp. Restricted Net Assets</b>	<b>11,094</b>	<b>10,874</b>	<b>18,874</b>
Retained Earnings	-11,294	-31,826	-30,416
<b>Total Equity</b>	<b>-20,952</b>	<b>-19,542</b>	<b>-26,539</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>42,797</b>	<b>52,865</b>	<b>60,296</b>

## Appendix D

### *NRHS Bulletin* Report

Production of the three 2017 issues of the *NRHS Bulletin* is proceeding on schedule. The first issue, Volume 80 Number 1 will be a feature on the Strasburg Rail Road in Lancaster County Pennsylvania. We are currently laying that issue out and expect it to be published in May. Content for the remaining two issues is currently being selected and we expect to publish Volume 80 Number 2 in August/September and Volume 80 Number 3 in November/December. Possible topics include UP Steam, Trolleys in the Big Easy and RPO Trains.

We are always looking for new authors so if you or any of your Chapter members have any article ideas, please have them reach out to me – Jeff Smith - at [bulletin@nrhs.com](mailto:bulletin@nrhs.com).

Thank You,  
Jeff Smith  
Editor, *NRHS Bulletin*

## Appendix E

### INSPECTOR GENERAL'S REPORT

The Volunteer Reporting Policy adopted by the Board at its summer 2010 meeting established the Office of Inspector General. The Policy mandates that persons covered by it report to the IG activities of NRHS which they reasonably believe to be violations of the criminal law of any state or the federal government. The Policy also provides for non-mandatory reporting by a covered person who reasonably believes that some policy, practice or activity of NRHS is in violation of applicable non-criminal laws or that there has been dishonesty, or fraud in the implementation or conception of any policy, practice or activity or a covered person has witnessed fraudulent or dishonest conduct by another person subject to the Policy.

All officers, Board members and National appointed staff members are considered "Covered Persons." However reports of possible fraudulent or dishonest conduct can be made by any NRHS member. For further details see the Volunteer Reporting Policy on the NRHS website.

In the past we had provided telephone numbers for confidential reporting. These have proven impractical and expensive, especially since most of the calls have been requests for information about conventions or other NRHS events. Accordingly, we now have replaced the telephone reporting with an email address that will go directly to me as IG and be accessible only by me.

The new address is: [IGHotLine@nrhs.com](mailto:IGHotLine@nrhs.com)

As always, upon request the identity of a complaining person will be kept confidential to the best of my ability to do so.

## PROPOSED NRHS MILITARY SPONSORSHIP PROGRAM

I am proposing a Military Sponsorship Program as a way of increasing membership and honoring military retirees and veterans for their military service to our country. I propose the NRHS extend a limited number of complimentary current year memberships for first-time applicants.

The military applicant would receive a complimentary current year membership. The availability of the complimentary memberships could be limited due to costs to the club. The applications would be processed as received. If the applications exceeded the number of available memberships, the club could hold the applications in the event that the program might be offered in the upcoming year. To qualify they would indicate their Military Branch of Service, Years of Service, and Year of Separation/Retirement.

Hopefully the new member would have enjoyed his or her complimentary membership and would be interested in renewing the membership!

The Antique Automobile Club of America has a program like this. They are an international club like the NRHS. They currently have about 60,000 members and reported receiving about 89 applications last year for the program. I asked about military veterans from other countries or Canada for example. They said they hadn't received any applications or complaints but would consider any such applications in the future.

This is a flexible program that can be managed or limited by the club as is economically necessary. I believe this is a good program with

the good purpose of honoring our military retirees and veterans. This could help boost membership and would improve the reputation of the club. I would be willing to help with this program to keep costs down for the club.

V/r,

Ken Mosby



## Appendix G

### **NRHS Bulletin Digitization Project**

The *NRHS Bulletin* – in publication for over 80 years – has published a substantial volume of historical material. However, much of that information is locked in paper copies of the magazine that are generally not accessible to members and historians. Digitization and distribution technologies have vastly improved over the past 10 years and NRHS management believes that now is the right to embark on an effort to digitize the *NRHS Bulletin* – formerly carrying the title *National Railway Bulletin* - and make it available to members and the public.

#### **Process**

There are four steps to the digitization project. They are outlined below:

Step 1: Collect a copy of each *National Railway Bulletin* and *NRHS Bulletin* that we have published since the 1930s. This was done many years ago by the National Office Staff in Philadelphia.

Step 2: Scan all of the magazines. With somewhere between 20,000 and 30,000 pages of material, this is not a small job and is probably best done by an external vendor. External vendors have specialized equipment and experience to ensure that the scans are done properly and everything is formatted uniformly without damaging the originals. Jeff Smith – *NRHS Bulletin* Editor - has all the source files for the post-1998 issues so we would not have to scan anything published after 1998; we can generate PDFs off the electronic files.

Step 3: The scanning process generates an image of the original. To make the PDFs searchable so that information can be found, a process called optical character recognition must be applied to each PDF. This is software that the PDF is run through that extracts data and indexes it so that it can be searched. This process would be done by Bulletin Editor, Jeff Smith.

Step 4: The PDFs must be distributed in some manner. There are a few options here depending on what strategy the NRHS desire to pursue.

#### **Distribution**

The distribution piece is where the most variability in cost exists. There are a few options for distributing the magazines.

Option 1: Put the PDFs on few DVDs and sell them. The challenge with that is that PDFs are easily copied and shared making it very difficult for the NRHS to protect its intellectual property. It also doesn't provide the ability for the user to easily search the collection. They would have to search each individual PDF making its practical use as a research tool questionable. NRHS management does not recommend this approach.

Option 2: Produce a piece of software that would provide the search interface and prevent the actual PDFs from being shared, copied or uploaded to the Internet. The drawback to this approach is forward compatibility with new operating systems. Over time, the archive will

become difficult to use. It also doesn't allow additional magazines to be added to the collection nor does it permit the material to be used on any device without a DVD Player. Today that includes many laptops and desktops as well as all tables and phones. NRHS management does not recommend this approach.

Option 3: There are a number of online distributors to select from: Zinio, Apple, Google, Amazon and others. For discussion purposes, I'll use Zinio as an example. *Model Railroader* used Zinio to release their archive just a few months ago. NRHS would upload the content to Zinio and it would be viewable only through Zinio's viewer which works on nearly any platform (Mac & PC browsers, iPads, Android, Microsoft Surface, etc.). The platform allows new magazines to be added to the archive. NRHS could sell individual copies of magazines or monthly/annual access to the entire archive. Regardless of the distribution vendor we choose, this is the approach that NRHS management recommends since it protects our intellectual property, is easy to add to new magazines to the system and is constantly being updated to support new browsers and devices.

### **Costs**

There are two main categories of cost. The first is for the scanning. Scanning the magazines will cost 50 cents a page. Given that we have somewhere between 20,000 and 30,000 pages to scan we are looking at a cost between \$10,000 and \$15,000. This would be a one-time cost. There would never be a need to re-scan the magazines. 50 cents a page is an industry standard rate. I contacted Kalmbach to see how they accomplished the Train Archival DVD that was released a number of years ago and they paid 50 cents a page to have their scans done.

The optical character recognition step of the work will be completed with software that the NRHS has already purchased for the production of the *Bulletin* (Adobe Acrobat Pro). There would not be any costs associated with the optical character recognition portion of the project.

There would be distribution costs; however, these have not been explored in detail with any of the vendors. Generally, there will be setup costs to get the files into their system and formatted properly to display correctly. Then there will be a fee per subscription sold.

### **Requested Board Action**

Today, NRHS management is asking the Board to authorize the expenditure of up to \$15,000 for the scanning of the *NRHS Bulletin* to be done by an external vendor (Digiscribe - <http://www.digiscribe.info/>) overseen by *Bulletin* Editor, Jeff Smith. Once the scanning is done, *Bulletin* Editor Jeff Smith will present recommended distribution options and costs to the Board.

## Appendix H

The National Railway Historical Society has announced eight recipients of its annual Heritage Grants Program. The 2017 heritage grants total \$20,000. The recipients are organizations such as historical societies, museums, and NRHS Chapters.

This year's grants were awarded to the following recipients:

\$2,500 to the Southeastern Railway Museum, in Duluth, GA, towards painting the car under-frame and restoration of the wood siding on Western Union Tool Car "WUTX 3558", built in 1929, which was used for maintenance by Western Union of its telegraph lines across the nation.

\$2,500 to the Harrisburg Chapter, NRHS, Inc., in Harrisburg, PA, for reconditioning and painting three historic items in the former PRR "Harris" Tower. The historic items include the metal covers of its interlocking machine, its lantern and flag storage cabinets, and its original employee lockers.

\$3,000 to the Wiscasset Waterville and Farmington Railway Museum, in Alna, ME, to outfit its equipment with an 1881 automatic vacuum braking system patented by Eames and originally utilized by its locomotives and cars.

\$3,000 to the Central New York Chapter, NRHS, Inc., in Marcellus, NY, towards repainting the exteriors of seven cars and two locomotives belonging to the Chapter, The equipment will be displayed at the New York State Fair.

\$1,000 to the South Park Rail Society, in Denver, CO, for hardware and materials towards the rebuild of the tender of ex-Klondike Mines Railway narrow gauge locomotive #4, an engine built by Baldwin in 1912.

\$3,000 to the narrow gauge Bucksgahuda and Western Railroad Company, in Saint Marys, PA, for framing material for a new shop/storage area addition to its existing service and storage building.

\$2,700 to the Nevada County Narrow Gauge Railroad Museum, in Nevada City, CA, for materials to complete the restoration of a 118 year old cattle stock car used by the former Denver & Rio Grande Western on its lines.

\$2,300 to the Friends of the New York Transit Museum, in Brooklyn, NY, for archival sleeves to rehouse its reprocessed and cataloged photography collection documenting the New York City elevated train systems.