

**Meeting Minutes  
NRHS Board of Directors  
Offices of Capehart Scatchard, Mt. Holly, NJ  
Saturday, October 5, 2013**

Pursuant of notice, the Board of Directors of the National Railway Historical Society, Inc. met at the offices of Capehart Scatchard, Mt. Laurel, NJ, Saturday, October 5, 2013.

**Call to Order**

President Gregory Molloy called the meeting to order at 8:58 a.m. EDT on Saturday, October 5, 2013.

**Welcome and Roll Call**

Mr. John Fiorilla, NRHS General Counsel, welcomed the Directors to this meeting. Secretary Joe Maloney provided various administrative details to the Board. Mr. Maloney explained the process for taking attendance at the meeting.

The Board attendance for this meeting was as follows:

<b>Name</b>	<b>Office</b>	<b>Term of Office</b>	<b>Present</b>	<b>Phone Call</b>	<b>Absent</b>
Greg Molloy	President	2012 - 2014	Yes		
Bary Smith	Vice President	2012 - 2014	No	No	Yes
David Flinn	Global Director	2012 - 2014	Yes		
E. Steven Barry	Global Director	2012 - 2014	Yes		
Walter Zullig	Global Director	2012 - 2016	No	No	Yes
Robert Emst	Global Director	2012 - 2016	Yes		
Bill Bain	Global Director	2012 - 2016	No	Yes	
Mia Mather	District 1	2012 - 2014	Yes		
Tony White	District 1	2012 - 2016	Yes		
Harold Shaak	District 2	2012 - 2014	Yes		
Mark Eyer	District 2	2012 - 2016	Yes		
Joe Maloney	District 3	2012 - 2014	Yes		
Bob Bitzer	District 3	2012 - 2016	Yes		
Sam Williamson	District 4	2012 - 2014	Yes		
Lary Dyer	District 4	2012 - 2016	No	Yes	
G. Patrick Molloy	District 5	2012 - 2014	No	Yes	
Wesley Ross	District 5	2012 - 2016	Yes		
Al Weber	District 6	2012 - 2014	Yes		
Duane Durr	District 6	2012 - 2016	No	Yes	
Claude Doane	District 7	2012 - 2014	No	Yes	
Wilfred F. "Skip" Waters, III	District 7	2012 - 2016	No	Yes	
Jeff Smith	District A	2012 - 2014	Yes		
Vacant	District A	2012 - 2016			
Robert Neman	District B	2012 - 2014	No	No	Yes
Philip McMeins	District B	2012 - 2016	No	Yes	

There was a quorum present in order to conduct business. The guests present at this meeting were John Fiorilla, NRHS General Counsel, and Gary Reinbolt, NRHS Fundraising Consultant.

### **Board Member Absences**

Secretary Maloney reported that Barry Smith, Walter Zullig and Bob Nemans were not in attendance. Barry Smith could not attend due to health reasons. Walter Zullig was in Switzerland on a trip planned well before this meeting was called. Bob Neman could not attend due to family health reasons. The reasons for the excused absences are considered valid and all absent Board members were excused from this meeting.

### **Confidentiality, Conflict of Interest and Volunteer Reporting Agreements**

Secretary Maloney announced that all Board members have signed the recently revised Confidentiality Agreement and the Conflicts of Interest Agreement.

### **Approval of Summer 2013 Minutes**

Secretary Joe Maloney advised that the Board had approved the Summer 2013 BOD Meeting Minutes via email.

### **President's Report**

President Molloy advised the Board that Jim Philips had resigned from his position as Division A Director. He ran unopposed in 2012, and there were no write in votes to consider. Jeff Smith, the other Division A Director, will look into potential candidates to fill this vacancy and report to the Board at the November 9, 2013 meeting in Claymont, DE.

Mr. Philip's resignation also means that there is now a vacancy on the Executive Committee. The Board will fill that position in November.

### **NRHS Finances**

President Molloy reported that NRHS is experiencing cash flow problems, and that he now has to stop about \$15K in recently written checks from being distributed. Someone stopped a \$15K transfer from the TDA account which no one in authority had seen when deciding on which accounts should be paid earlier this week. No one individually has daily, real time visibility over all NRHS financial accounts, and this situation must be corrected immediately. With \$29K currently being deferred from payment, NRHS will need the following actions completed near term.

1. Talk to Fernley & Fernley on Monday, October 7, 2013, to direct them to put in new financial systems to provide NRHS Management with real time visibility for each financial account.
2. Close down the investment program now since NRHS does not need to be in the short term stock market.
3. Create a NRHS Foundation to handle future investments, donations, and grants funds.

The directors engaged in much discussion about current finances and endorsed the idea of real time visibility over all NRHS financial accounts. Bob Bitzer will look into establishing a line of credit at Wells Fargo to mitigate negative cash flow issues. Wes Ross moved and Mia Mather seconded a motion to close the TDA investment account. After more discussion, the Board voted on the motion, the motion carried, with Bob Bitzer, Treasurer, abstaining.

Discussion moved into the budgets for 2014 and 2015. The Executive Session discussions concerning our pending legal issues, and the priorities of various actions stemming from the NRHS Strategic Plan will drive where NRHS needs to develop firm pricing for the budget work planned for the November 9, 2013 BOD meeting. We will assume a 7.5% membership reduction for both 2014 and 2015. Gary Reinbolt suggested NRHS use bi-annual budgeting.

### **NRHS Elections**

Bob Ernst provided an overview of the 2014 election plans. Per the NRHS Bylaws, NRHS will accept nominations for President, Vice President, and those directors' seats that expire in 2014 from early January through March 31, 2014. The election will take place from on or about June 1 through August 1, 2014, using written ballots as was done in 2012. The election results will be certified in late August 2014.

### **Executive Session**

Tony White moved and Bob Ernst seconded a motion to take the Board into Executive Session. The motion carried, and the Board recessed at 10:10 a.m., EDT. The Executive Session convened at 10:21 a.m. EDT, and involved sensitive Board of Directors' discussions concerning estate giving, involving Mr. Thomas D. Begley, III, Capehart Scatchard, establishing a NRHS Foundation, involving Mr. Charles A. Rizzi, Jr., Capehart Scatchard, pending legal issues, involving Ms. Michelle L. Corea, Capehart Scatchard. During the discussions involving legal issues, Mr. Reinbolt was excused from attending.

After discussions, Sam Williamson moved and Wes Ross seconded a motion to recess the Executive Session. The motion passed. The Board of Directors' meeting reconvened at 12:42 p.m. EDT.

Sam Williamson moved and Bob Ernst seconded a motion that the NRHS Board of Directors immediately suspend Dr. Barry O. Smith as NRHS Vice President and member of the NRHS Board of Directors pending legal review of events involving Dr. Smith between now and the next BOD meeting, scheduled for November 9, 2013 in Claymont, DE. After discussions which dealt with taking Dr. Smith off as an authorized signatory on any NRHS financial accounts, the Board voted. The motion passed. The Board recessed at 12:50 p.m. for lunch.

At 1:05 p.m. EDT, Bob Ernst moved and Wes Ross seconded a motion to take the BOD back into Executive Session. The motion passed. The Executive Session reconvened and dealt with reports from the NRHS Strategic Planning Committees. After a series of discussions which confirmed that we cannot do all the actions that the committees have been studying, Al Weber moved and Wes Ross seconded a motion to adjourn the Executive Session. The motion passed.

### **Announcements**

Al Weber reported that the Saint Louis Chapter and the Missouri Pacific Historical Society are partnering with Green Frog Productions to digitize several old 16mm copyrighted railroad films. The results to date are promising.

**Adjournment**

Joe Maloney moved and Wes Ross seconded a motion to adjourn. The motion carried. The meeting was adjourned at 2:55 p.m. EDT.

Respectfully Submitted:



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JOSEPH C. MALONEY, JR.  
Secretary

9 November 2013