

Report to NRHS board –Executive Director Study Committee

This report is prepared as a review of the Executive Director Study Committee’s work during 2012. The committee composition is as follows: Jack Hilborn, Chair

Jim Pahriss

Al Weber

Wes Ross

Don Maxwell

Walter Zullig

Claude Doane

Greg Molloy –Ex. Off.

NOTE: NRHS Secretary Joe Maloney sat in on and participated in one meeting

I. Background:

The concept of hiring/paying an Executive Director for NRHS is not a new one. The committee chair, for one, has long advocated such a position for many years vocalizing support for an Executive Director during past meetings of the Strategic Planning and By-Laws Revision Committees. Others have voiced similar support. A few NRHS board members brought a formal proposal to the board for the creation of an Executive Director position at the summer 2011 board meeting in Tacoma. The members presenting the proposal had wanted formal board action at that meeting.

Though NRHS management supports the creation of such a position, management recommended defeat of the proposal citing budgetary concerns and the need for more study of the issue as just two of several reasons presented for voting down the proposal. The board took action to form an Executive Director Study Committee charging the committee to make interim reports of its work to the

board at the winter, spring, and summer 2012 board meetings with a formal report due by the fall 2012 board meeting. NOTE–this full report was not ready for the fall 2012 board meeting but a summary report was presented.

Some of the reasons brought forth by proponents of creating an Executive Director position for NRHS include, but not limited to, the following:

- need to relieve volunteer NRHS officers of a multitude of administrative tasks**
- unless administrative duties are relaxed, it is doubtful if anyone would seek higher office in NRHS, particularly the presidency**
- we need NRHS officers to focus more on chapter/membership relations, fund raising, public relations, and focusing on the "big picture." Also, to focus on strategic initiatives for the NRHS and board and not be constrained by a multitude of administrative duties**
- the "model" for an all volunteer leadership simply will not and cannot work as NRHS moves forward. Most successful non-profits have some sort of paid, administrative, position.**

At its Fall 2011 board meeting, the following motion was presented and approved: "To investigate the need for the responsibilities of funding requirements, timing and implementation of an Executive Director for NRHS and to give periodic progress reports with a final report to the Board no later than the Fall 2012 board meeting."

II. Committee consensus and initial committee work:

The committee has held three (3) face-to-face meetings in 2012 along with one telephone conference call meeting. The committee's face-to-face meetings were:

- February 24, 2012 in Columbus, Ohio**
- June 4, 2012 in Chicago, Illinois**
- July 27, 2012 in Philadelphia, Pennsylvania**

The initial committee responsibility, in order to move forward, was to gain a full committee consensus as to the concept of and the need for an executive director for NRHS. After considerable discussion, a clear and unanimous consensus emerged for such a position. The committee next focused on skills needed for the job and reviewed a report from the NRHS president as to what constitutes his workload—in other words, what does our president do. This, likely, was the first time that our president had been asked for report on what he actually does—i.e. routine, on-going work, periodic recurring work, and rotating projects. Also, reporting on what he feels is not getting done or not being addressed sufficiently. The committee looked at job descriptions for executive or administrative leadership in other organizations, including rail-oriented organizations. In addition, the committee reached out to NRHS officers for input as to what their focused workload is and whether or not a paid administrative position for NRHS could help. Initial discussion of a job description was held but the committee realized it needed further information—such as:

- a better understanding of what Fernley & Fernley (F&F) is doing now for NRHS**
- and, to get feedback from NRHS officers (other than the president who had already provided input) NOTE—specific input was provided to the committee by the NRHS Secretary and the committee chair discussed current job functions with the NRHS Senior Vice President at the Iowa convention and reported back to the committee.**

III. Developing a job description and obtaining proposals:

The committee spent considerable time discussing current duties

with the NRHS president and secretary. Also, the committee reviewed the current contract with F&F to gain a better understanding of what F&F currently does. The committee's focus then turned to developing a job description. It was brought to the committee's attention by one of its members that the primary duties identified were administrative in nature—thus a need to refer to the position as Administrative Director and not Executive Director. The committee unanimously agreed with this change.

After substantial discussion and deliberation, a proposed job description for the NRHS Administrative Director was agreed upon. Next steps agreed to were contacting personnel consultants "head hunters" for cost ranges for such a position. In addition, the committee felt strongly that F&F should be approached as well for several reasons including, but not limited to, the following:

- F&F already is under contract to NRHS to perform a multitude of administrative tasks—just makes sense to seek a proposal to expand those tasks

- F&F acts in an executive or administrative leadership role for a number of non-profits, though NRHS would be the largest such organization if the NRHS board voted eventually to engage F&F services for additional administrative responsibilities

- F&F already has a pretty good working knowledge of NRHS operations and it might make good sense to build on that

On behalf of the committee, Al Weber approached several head hunters regarding price ranges for hiring a person as Administrative Director. The head hunters had questions regarding the proposed job description and Al fielded those questions. Cost ranges were given from \$30,000 annual to as high as \$90,000 annual. Two of the three contacts felt that what NRHS is looking for is really a small office manager and the salary range would be from \$30,000 to \$60,000 annual for such a position. F&F was given the job description that was followed up by a

lengthy conference phone conversation involving both the committee chair and committee member, Walter Zullig. F&F's proposal is quite extensive along with an added cost to NRHS. Fernley proposes a need to increase staff supporting NRHS from the existing approx. 1.5 full time equivalents (FTE's) to at least 2.0 or possibly 2.25 FTE's at an approximate cost of \$50,000 to \$57,000 per .50 FTE or \$75,000 to \$85,000 per .75 FTE. The proposal is very comprehensive.

As committee chair, I am very proud of the committee's work. Until one is involved in the process, it can never be known how difficult it is to develop a job description for a new position. First, you must have committee "buy in" to the concept. Next, you must identify characteristics/assets that the person performing the job must have. Checking with other organizations that already employ an administrative person in a similar role is needed. And, we must research the work that current NRHS leaders do now for the organization and also understand what F&F is now doing for NRHS. Then, a job description needs to be developed. All of this takes considerable time with much discussion. I want to congratulate the committee for its efforts—we have come a long way.

The committee has not recommended a timeline for initiating an Administrative Director position. That is up to the board. The committee recommends an Administrative Director for NRHS but additional work will be needed to present budget proposals to fund the position and to get more specific cost proposals from head hunters who could assist with finding an Administrative Director for NRHS. The committee recommends that the NRHS board adopt a resolution of support for an Administrative Director and that steps be taken for further study to fund the position along with working with head hunters to refine the job description for presentation to potential applicants.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'JH', written over a large, loopy circular flourish.

Jack Hilborn, Committee Chair

Addendums: Job Description

Proposal from Fernley & Fernley

**Summary Report previously presented to the NRHS
board by the committee chair**

Addendum: Job Description for Admin. Director of NRHS

The Administrative Director of NRHS, as chief administrator, is responsible to the NRHS President and Board of Directors. The Administrative Director provides administrative management of NRHS operations, activities, volunteer needs, and day to day operations. The Administrative Director will attend board meetings and other meetings, as directed.

The Administrative Director, with appropriate delegation, is specifically responsible for:

A. Manage administration of active and on going NRHS programs and business including, but not limited to:

- 1. Membership Development**
- 2. Membership Services**
- 3. Budget preparation and other financial reports (i.e. audit, federal forms)**
- 4. Day to day NRHS finances and budgeted funds**
- 5. Communications including, but not limited to: websites and member/chapter/outside correspondence**

B. Serve as an administrative resource for NRHS chapters, NRHS committees, and special NRHS activities

C. Consult with legal counsel on administrative matters as necessary

D. Sign on behalf of NRHS all necessary materials and documents as delegated

E. Provide reports to NRHS Board of Directors and leadership as directed

F. Provide recommendations for improvement of administration of existing NRHS programs

G. Provide input into the design of new program administration

H. Provide administrative support to NRHS libraries

I. Establish and administer central files

J. Administer NRHS activities/events/meeting calendar, both internal and external, including but not limited to; RHI Planning Calendars and NRHS Administrative Calendar. Monitor established deadlines and do appropriate follow up.

K. Preparation of annual report

L. Meetings, including but not limited to: meeting site preparation and support, notices of meetings, assist with meeting agenda preparation, assist Secretary with minutes

M. Other duties as assigned



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TO: Jack Hilborn and Walter Zullig

FROM: Vicki Scot, Director of Client Services
Melissa Dietrich, Director of Business Development

RE: Expanded Administrative Services for NRHS

DATE: September 24, 2012

It has been a pleasure to partner with the National Railway Historical Society (NRHS) over the past five years. Thank you for reaching out to us with a potential opportunity to expand administrative services to more effectively support NRHS plans for the future.

As we understand it, the NRHS would like to address some of the following concerns:

- Ease the burden on volunteer leaders with regards to daily operations, meeting planning, and program administration;
- Reposition/restructure the position of president to that of a strategic leader – focusing on strengthening relationships with chapters and cultivating relationships with allied organizations, serving as spokesperson, chief fundraiser, and achieving strategic goals and initiatives;
- Revitalize the membership committee and implement new membership development and retention campaigns by supporting chapters and targeting the next generation of rail enthusiasts;
- Expand member benefits and member services to attract, engage and retain lifelong members;
- Preserve and make available to members the vast library of historic documents, photos and videos for research and individual enjoyment. (Understanding that this is more of a long-term goal that will require Board discussion prior to any action).

In our 125+ year history partnering with non-profit organizations, we have successfully guided and supported clients through changing times by cultivating the expertise to examine, evaluate, and assist in the development of a new course of action; our goal would be to do this for NRHS.

We would like to propose that by expanding existing NRHS Team resources and shifting individual responsibilities, F&F would be able to assume responsibility of all the additional tasks/functions described in the job description for an administrative director that was shared with us. This would basically result in a downstream shift of functions from Greg (or other volunteer leaders) to Kristen, from Kristen to Kim, and from Kim to members of our functional support associates, mostly members of our Member Services Department. It would also require that F&F increase capacity of the entire NRHS Team, allowing for a collective increase in annual staff time dedicated to NRHS management.

F&F would work collaboratively with NRHS Leaders to develop a transition plan which could be executed in a single transaction or if desired, a phased-in approach could be implemented whereby F&F would take on responsibilities over several months to allow for the adjustment.

For the purpose of your report to the Board in October, we have included a modified version of the existing professionally contracted services document including in red the expanded services F&F could potentially provide to NRHS. This list is not meant to be all-inclusive and could potentially be expanded further to include items such as coordinating content for newsletters or publications, conference management, and committee management for example.



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In order to accommodate the increase in services, we would anticipate the need to increase the scope of the current management agreement from approximately 1.5 full-time equivalents (FTEs) to at least 2.0 FTE or possibly even 2.25 FTEs. Determining the exact amount would require more in-depth discussions regarding the specific scope of services. For example, F&F currently provides some level of support in a number of areas that were included in the job description. It may be that a modest level of additional support is necessary as opposed to other areas that would be considered completely new tasks for us.

We understand that for your immediate purpose you are looking for more of a ballpark number to gauge how the increase in services might impact your budget. Here's an example; increasing the contract by .50 FTE would result in an additional fee in the range of \$50,000 - \$57,000 and increasing by .75 FTEs would correlate to an increased fee range of \$75,000 - \$85,000. Again, these are preliminary estimates and may fluctuate based on more in-depth discussions.

Please contact us should you have any questions or require additional information in order to present your findings to the Board next month. Additionally, Vicki Scott and Dennis Springer are planning to attend the Board meeting in Claymont, DE and would be available to participate in further discussions on this topic at that time, if desired.

Thank you for the opportunity to present NRHS with our proposal.



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MODIFIED EXHIBIT A – PROFESSIONALLY CONTRACTED SERVICES FOR NRHS

F&F will provide non-exclusive office facilities and furnishings to accommodate the agreed upon levels of professional staffing required to perform the Professionally Contracted Services outlined in this exhibit. F&F shall take reasonable measures to protect the confidentiality of NRHS's confidential information from third parties with access to F&F facilities. In addition, F&F will provide standard office and communication equipment required to perform these services, limited on-site storage, and complimentary access to three conference rooms (based on availability) located at 100 N. 20th Street, Suite 400, Philadelphia, PA, 19103.

F&F standard hours of operation for receiving visitors and/or responding to telephone or email inquiries are 8:30 a.m. to 5:00 p.m. Eastern Time, Monday through Friday, except for designated holidays. Work schedules for individual staff members may vary.

The Professionally Contracted Services F&F will provide for NRHS, at the direction of the NRHS Management Team, through regular communications, are outlined below. Details of the operating procedure for carrying out those services will be maintained in an NRHS Operations Manual.

Account Management

- Provide an Account Director to serve as liaison to NRHS Officers and Chapter Chairs.
- Consult with legal counsel on contracts and appropriate language for external communications, when necessary.
- Enter into contracts on behalf of NRHS in accordance with perimeters set by the Board of Directors or with prior email approval.
- Provide assistance and support to the president in the preparation of the Annual Report.
- Assist volunteer leaders/chapter chairs to prepare their portion of the Annual Report.
- Support NRHS volunteer leaders with follow up to actions, responding to inquiries, providing information and documentation, when necessary.
- Effectively represent the NRHS in communications with members and prospective members.
- Manage staff and resources in support of daily operations.
- Maintain an open line of communication with the NRHS President and other designated NRHS Leadership keeping them informed on the status of projects and hours expended at regularly scheduled intervals verbally or in writing.

Office Facilities and Conference Rooms

- Serve as central repository for NRHS files currently being maintained by volunteer leaders.
- Provide a permanent mailing address, email address, central receptionist, office space, office equipment, and computer hardware and software required to maintain the national office.
- Provide complimentary use of three conference rooms (based on availability) for Board, Committee, or other NRHS authorized uses.
- Provide on-site storage space for association files, supplies, literature and publications (off-site, long-term storage arrangements can be made, if required at NRHS expense).
- Display the NRHS oil painting in an appropriate location within the F&F office space. (NRHS is responsible for maintaining proper levels of insurance on the painting)



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Administrative Management

- Maintain NRHS website by updating content and postings on a regular basis.
- Expand RHI Planning Calendar to include all internal events (administrative meetings and deadlines) and external events (industry activities).
- Manage order fulfillment requests with designated vendor to process and distribute NRHS merchandise and publication orders received through the web site.
- Provide a prompt response to phone inquiries, emails, and letters from members, prospective members or others who contact the national office.
- Review incoming correspondence, act upon, or forward to the appropriate volunteer leader for action.
- Provide assistance and distribute the “NRHS Telegraph” quarterly.
- Prepare, maintain and monthly distribution of an electronic calendar of industry events (RHI Calendar).
- Maintain paper and electronic files and destroy files in accordance with a mutually agreed upon records retention policy.
- Perform follow-up to insure that tasks delegated to volunteers have been completed.
- Develop and maintain a master calendar of NRHS events including tasks and timelines per event.
- General announcements and reminders to NRHS Board members through periodic e-blasts.

Library Support

- Provide administrative support during the transition of NRHS library materials currently in long-term storage to a permanent location once it has been determined.
- Provide a work area for NRHS Library volunteers to use based on an agreed upon schedule.
- Provide minimal administrative support to Library volunteers in need of general information available from the records maintained on-site at NRHS Headquarters.
- Provide on-site storage area for the NRHS Library materials.

Financial Management – All functional responsibilities associated with the daily management of NRHS income and expenses, including the following:

- Actively support the Treasurer in preparation of the annual budget, managing the annual audit, and filing of Federal forms.
- Monitor and review monthly financial statements to ensure adherence to the budget.
- Maintain NRHS bank accounts (NRHS will designate authorized signers and a check approval policy will be established and implemented).
- Daily expense and revenue accounting (AR/AP).
- Preparation and distribution of monthly financial statements to NRHS Management that includes balance sheet reconciliements.
- Assist in the development of annual budget and chart of account numbers.
- Accurately code invoices for payment and request approval according to agreed upon policy.
- Coordinate the year-end audit and tax return preparation with CPA firm selected by NRHS (NRHS is responsible for all fees associated with the CPA firm).
- Maintain financial records in Peachtree accounting software.
- Perform monthly bank reconciliation for the NRHS checking account.

Fundraising and Donations

- Provide assistance proof reading, layout and design, coordinate with printer for quarterly mailings.
- Collect and process donations.
- Acknowledge donations to the member with necessary inserts, on a monthly basis.



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Railway Heritage Grants Program

- Provide assistance to the Director of Grants to set-up programs annually.
- Update application and work with web master to upload documents.
- Respond to inquiries, process proposals for Committee.
- Prepare and distribute announcements and letters.
- Follow up reports for approximately a dozen awards for the Railway Heritage Grants Program.

RailCamp Support

- Provide administrative support to volunteer leaders responsible for managing RailCamp.
- Provide recommendations for improvement of existing processes.
- Update RailCamp application form and mail out to registrants upon request.
- Process applications and payments; maintain registration lists.
- Match campers with sponsors.
- Prepare personalized mailings for each RailCamp participant.
- Finalize aftermath reports and collect all payments.

Board & Committee Meeting Support

- Take responsibility for on-site meeting management including overseeing room set-up, audio visual equipment, food & beverage orders, and other tasks, as requested.
- Process registrations and prepare badges for the Advisory Council Meetings.
- Draft Board meeting agenda for president's approval, distribute meeting agenda and materials, including required reports to Board members and Advisory Council members, as necessary.
- Participate in Board meetings, take minutes, and send draft to the secretary for approval.
- Schedule and coordinate location and all necessary planning logistics for Board Meetings at the direction of the NRHS President.
- Process registrations and prepare badges for National sponsored Board Meetings.
- Assemble, upload and distribute meeting materials, including required reports to the NRHS Board of Directors website.
- When requested, attend Board Meetings, record and disseminate meeting notes in a timely manner to NRHS Secretary.

Database Management/Membership Services and Membership Development

- Collaborate with Membership Committee to develop a recruitment and/or retention plan.
- Provide support to implement a membership recruitment and/or retention plan.
- Maintain the association database containing approximately 18,000 records.
- Perform general updates to member records (i.e. change of address).
- Track historical and/or demographic information, as requested.
- Assist members and chapters, as required.
- Process requests for membership information.
- Process membership applications according to policy referring to Chapter members or At-Large members.
- Provide monthly membership reports.



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Membership Dues Processing

- Bill the membership (Chapters and At-Large Members) for annual dues.
- Manage timeline to ensure internal and external parties deliver on time.
- Prepare and distribute dues invoices and supporting materials.
- Coordinate all elements of mailing including president's letter, donation and convention flyer, membership cards or other materials deemed appropriate by NRHS.
- Coordinate dues renewal process with each Chapter Chair.
- Send verification spreadsheets to the Chapters to review.
- Chapter data changes received and edits made to database.
- Preparation of files for transfer to designated printer.
- Coordinate payment to mail house for postage if due in advance.
- Review final proof from printer and provide approval.
- Process spreadsheets received monthly from Chapter Chairs.
- Update the database monthly as spreadsheets are processed.
- Coordinate and distribute second reminder dues notices to all unpaid AtLarge and Chapter members.
- Deposit dues revenue received by check or money order and process credit card payments.
- Resign non-renewing members according to NRHS policy.

On-site Meeting Management (Separate Fee)

- NRHS will be billed separately when a request is made for the Fernley & Fernley Account Manager to attend Board Meetings or other society events.
- It is estimated that this request will be made approximately four times a year.
- The fee will be \$500 per day for each day the Account Manager is out of the office.
- The time utilized for this purpose will not be counted toward the annual allotment of staff hours.
- Staff travel, lodging and meal costs will be billed to NRHS at cost in addition to the per day fee.

Summary Report–Exec. Director Study Committee

TO: NRHS Board

FROM: Jack Hilborn, Chair

Committee Members: Jim Pahriss, Wes Ross, Al Weber, Don Maxwell, Claude Doane, Walter Zullig, Jack Hilborn–Greg Molloy, ex. off.

Action taken by NRHS board in January, 2012: "To investigate the need for the responsibilities of funding requirements, timing, and implementation of an Executive Director for NRHS and to give periodic progress reports with a final report to the Board no later than the Fall 2012 Board Meeting."

Committee Meetings held in 2012: February–Columbus, Ohio; June–Chicago, Illinois; and July–Philadelphia, Pennsylvania. Also, numerous emails, phone calls, and a conference phone call.

Committee actions:

- discuss concept of an Exec. Director–arrive at a clear committee consensus for the need for such a position for NRHS**
- establish characteristics/traits for the person filling this position**
- examine closely current administrative job functions of NRHS officers, focusing on President, Sr. Vice President and Secretary**
- seek out job descriptions from other non-profits for position of Exec. Director**
- understand current job functions being performed for NRHS by Fernley & Fernley**
- establish job description for the position (NOTE: the committee, after much due deliberation, felt that the job description should be for an Administrative Director for NRHS and NOT an Executive Director)**
- seek cost proposals from Fernley & Fernley and from "head hunters" for a person or firm to fill the requirements for an Administrative Director for NRHS**

Results:

- committee arrived at unanimous consensus for the need for an Exec. Director for NRHS—after thorough review of reasons "why" such a position is needed for NRHS now
- received and reviewed several job descriptions from other non-profits (including rail oriented groups) for an Exec. Director
- received valuable input from NRHS President and NRHS Secretary, in writing and orally, as to their current job functions—and to discuss what functions should and could be given off to a paid executive for NRHS. Committee chair spoke verbally with NRHS Sr. VP regarding job functions pertaining to operation of RailCamp and other duties—and reported back to committee.
- reviewed current Fernley & Fernley contract with NRHS to better understand job functions currently being performed
- established a job description for the position of an Administrative Director for NRHS (see earlier comments regarding this change of position name—also, see addendum for job description)
- sought out/received feedback from "head hunters" as to projected annual cost for an Admin. Director and also received formal proposal from Fernley & Fernley to expand its job functions performed on behalf of NRHS in accordance with submitted job description for an Admin. Director. (Note: Cost estimates range from low \$30,000 to \$85,000 annual)

Next Steps:

- full, formal, report to board to be presented for consideration at January, 2013 NRHS Winter Board Meeting following input from all committee members to a draft report from committee chair
- additional work needs to be done to "fine tune" job description so that "head hunters" can fully understand the requirements and thus provide more specific cost indicators for a person to perform tasks of Admin. Director
- NRHS Board to embrace the need for an Admin. Director and to provide input to committee as to timing and funding—NOTE: committee simply did not have time to fully explore funding options for NRHS

Comments:

-until one has experienced committee work of this sort, it is hard to fully appreciate the time/discussion/interaction it takes to perform tasks assigned to the committee from the original Board "charge"

-the committee chair is very proud of the work of this committee and the progress made thus far

-it is hoped that the NRHS Board will fully embrace the need for the hiring of a paid executive (Admin. Director)

Respectfully submitted:

**Jack Hilborn
Committee Chair**