

**Friends of the Cumbres & Toltec Scenic Railroad, Inc.**  
**Minutes of Board Meeting Held October 13, 2001**  
**Drury Inn, Colorado Springs, Colorado**

Board members present: Curt Bianchi, Roger Breeding, Roger Briggs, Howard Bunté, Parker Fowler, Geof Gordon, Jim Herron, Chris Krahling, Bill Lock, Phil McDonald, Art Randall, Jerry Sahnd, Terri Shaw, Warren Smalley. Absent: Dennis Sterosky, Art Nichols, Spencer Wilson, Bob Craine.

Guests: Bill Kepner, Malcolm Mackey, Frank Yockey, Jack Salisbury.

**1. Call to Order**

President Shaw called the meeting to order at 8:40 a.m.

Shaw introduced board member Chris Krahling, who was attending his first meeting, as well as our guests.

**2. Approval of Minutes of Board Meeting of June 24, 2001**

President Shaw asked for corrections. There being none, she called for a motion to approve the minutes.

**M/S Fowler/Smalley to accept the minutes. Passed unanimously.**

**3. President's Report**

**3.a. Steering Committee—Master Planning**

The C&TS RR Steering Committee, consisting of RGRPC General Manager Dan Ranger, Commission Executive Director Bob Johnson and President Shaw, met on September 12 in Alamosa. Johnson reported that the Colorado Historical Society (CHS), through which the Commission's funding requests to the legislature flow, had requested a master plan for the railroad from previous Commission Executive Director Leo Schmitz. Thus the bulk of the meeting dealt with how to approach the master planning process. The Steering Committee sees this as a two-year process, possibly involving a paid consultant to carry out part of the work. Johnson is looking at ways to fund this, possibly through a grant from the CHS.

Johnson has hired a consultant in Antonito, Richard Gomez, to help administer fundraising and grants. Gomez is a former grant administrator for the federal government.

The next Steering Committee meeting is scheduled for mid-November in Albuquerque.

The next commission meeting is scheduled for Nov. 3 at the Chama city hall. President Shaw praised newly appointed commission chairman John Swartz, as well as Johnson, for their handling of the last commission meeting.

**4. Finance Committee Report**

**4.a. 2001 Year to Date Income and Expenditures**

President Shaw led the board in a review of the financial statements and Treasurer Sterosky's report. In general, Sterosky reported that the format and accounting work are good, though there are still some areas of classification that need improvement.

Income for the year is significantly higher than projected. The response to the mid-year membership appeal was extremely good. Almost 11% of the membership responded, exceeding the typical return for an organization such as ours. As of Oct. 10, donations from the mid-year appeal stood at \$20,860--an average of about \$109 per respondent. President Shaw observed that the financial response from our membership this year has been very gratifying. In 1995 the average donation per member was around \$39. This year the average dues are about \$71 per person. Including all types of member donations, the average is nearly \$100 per person.

Donations to RGRPC have also exceeded expectations. The bulk of the donations came from the Narrow Gauge Trust Fund, which donated \$24,000 for a wheel lathe, and \$100,000 for locomotive work and communications equipment. In addition, the Ralph Flowers fund has raised about \$30,000 for locomotive work, and grants from other sources have totaled about \$25,000 year-to-date.

In terms of cash at the end of year, we expect to have about \$50,000 in unrestricted funds—about \$20,000 less than last year. Though this was a point of some concern, Shaw noted that this is due in part to various one-time expenses incurred this year, particularly with regard to setting up the new office.

**M/S Fowler/Herron** that we receive the report of the Finance Committee. **Passed unanimously.**

#### **4.b. Committee Recommendations**

In order to simplify accounting, the Finance Committee recommended establishing a dollar amount such that if a capital item costs less than this amount, then it is expensed instead of depreciated. This will avoid tracking small items on the balance sheet. The Finance Committee felt comfortable with \$500, but after some discussion the board felt comfortable with \$1000.

**M/S Herron/Gordon** that the threshold for depreciated items versus expensed items be \$1000. **Passed unanimously.**

##### **4.b.1 Cash Flow Loan to RGRPC**

President Shaw deferred this item to the RGRPC report.

##### **4.b.2 Insurance for Tools and Materials**

President Shaw led the board in a discussion of insurance for the Friends' tools and materials, referring to a memo she distributed to the board prior to the meeting. To summarize, in 1997 the board made the decision to self-insure the Friends' tools and materials. This year, in conjunction with the move to the new office, Shaw put new insurance in place covering our assets at each of our Albuquerque, Colorado Springs and Chama locations. Included is coverage for \$18,500 of tools and materials located at the Chama yard. Shaw asked the board for guidance as to whether this insurance should remain in place, be modified, or be eliminated in favor of self-insuring all tools and materials in Chama.

There was some discussion as to the appropriate deductible, the minimum value at which an item should be covered by insurance, the expectation of loss of such items, and other details related to insurance. The board thought that insuring tools valued at \$500 or more was appropriate, but the board ultimately decided that it did not have enough information to make a decision. Shaw asked the Projects Committee to identify the Friends' tools and their value, and the Finance Committee will use this information to make a recommendation to the board. In meantime, coverage for \$18,500 is in place.

### 4.b.3 Resolution Regarding Signatories

**M/S Shaw/Lock** that the President, Vice President, Treasurer, and Assistant Treasurer of the corporation be the signatories on all of our accounts. **Passed unanimously.**

### 4.b.4 Brokerage Account for Anonymous Donation

The Friends has applied for a \$10,000 grant from Los Alamos National Laboratory Foundation (LANLF) for the removal of asbestos on locomotives 483 and 492. A Friends member has offered to anonymously donate a matching \$10,000 in the form of appreciated stock. This will necessitate the creation of a brokerage account in order to accept the stock, which will be donated over a period of time. [Secretary's note: LANLF notified Pres. Shaw in mid-October that the grant had been awarded.]

**M/S Lock/Fowler** that the President, Vice President, Treasurer, and Assistant Treasurer of the corporation be the signatories to this brokerage account. **Passed unanimously.**

## 5. Report From RGRPC

RGRPC President Smalley presented the RGRPC report to the board. Through September net income is up 25% compared to last year, and gross profits are up 23%. Per-rider spending is \$44.68 compared to \$38.20 last year. 44% of riders are through trip riders, and bus occupancy has been better than last year, at 66-70% full. The moonlight trains grossed \$33,268, and the new parlor car service added \$300,000 in revenue, at a one-time cost of \$120,000. Parlor car occupancy has been about 50%.

Based on year-to-year ridership reports, RGRPC had projected 57-58,000 passengers for the season before the events of Sept. 11 took place. Now the projections indicate 55,000 riders. RGRPC has not quantified the impact of Sept. 11, but Director Gordon guessed that it will cost RGRPC more than \$100,000 in lost revenue.

Director McDonald commended the railroad staff for their handling of the one and only derailment that occurred this year, on Sept. 28.

**M/ Bunté** to commend the board and staff of RGRPC for their excellent work in rescuing and preserving the railroad. **Seconded and approved by acclamation.**

Director Gordon informed the board that like last year, the railroad will not finish the season with enough cash to fund the winter work. RGRPC will attempt to extend its credit line with its banker, and take other steps to maximize cash flow during the winter. Nevertheless, RGRPC has requested that the Friends provide a cash flow loan as it did last year. In 2001 the Friends lent RGRPC \$50,000 in March, secured by ticket sales. The loan was repaid in August with interest.

**M/S Fowler/Gordon** to give the Executive Committee the authority to determine how much to lend to the RGRPC, with a limit of \$75,000, to be secured by ticket sales. Discussion: Director Briggs suggested setting the limit to \$50,000. **Passed unanimously.**

## 6. Projects Committee Report

### 6.a 2002 Work Program

Projects Committee Co-Chairman Sahnd reported that 345 different individuals participated in work sessions this year, contributing 490 weeks of labor. As in the past, work sessions A and B hosted the most volunteers, with 145 attending session A and 130 attending session B. The large number of attendees, especially in work sessions A and B, stressed the organization to its limits, so one of the objectives for 2002 is to spread the workload more evenly across the six work sessions. To that end,

the May sessions will be full work sessions rather than “mini” work sessions, including chronicles and lunches.

## **6.b Committee Recommendations**

Sahnd reported that the Projects Committee proposed eight new projects for 2002, in addition to projects carried over from 2001. The new projects are:

1. Minor repairs on derrick OP and its idler flat car. Sahnd noted that the MOW collection is very unique and a goal is to get that equipment to a serviceable level.
2. Restore flat car No. 6314.
3. Car body bunkhouse repair.
4. Rebuild the Chama depot platform.
5. Build the flammable storage shed.
6. Build a new speeder shed in Chama.
7. Begin stock pen restoration in Osier.
8. Rebuild the sound system in the Antonito passenger cars.

Sahnd elaborated on the plans for each of the major historic sites.

Cumbres. Team leader Bob Ground reports that there are only two or three days of work left on the section house, and once completed the team will be at a standstill until directed to do more. Ground's recommendation is to undertake consideration of the interior of the car inspector's house. It now houses surplus materials from the Cumbres and Osier section houses. He also suggests reconstructing the car inspector's house outbuildings—the outhouse, chicken coup, and coal storage shed. John Rupley has done some research on the outbuildings and he will provide the information for them. Director Sahnd reiterated the need for a site plan for Cumbres.

Osier. The section house and depot are nearly complete, requiring approximately 2-3 more days of work. The team intends to transition to rebuilding the stock pens. We also need to provide safe public access to the historic buildings from the dining facility. Sahnd noted that there needs to be more interpretive effort at Osier because it is the one location at which passengers detain.

Antonito. The Projects Committee intends to utilize Antonito as a work site more so than in the past. To that end, a clean-up effort is scheduled for May to improve the working environment. This year's work sessions will have an Antonito site leader, the duties of which will be shared by Warren Ringer and Bill Kepner. Work will continue on caboose 0579, and team leader Kepner would like to have caboose 0503 in Antonito for comparison purposes. While 0503 is in Antonito, Kepner will do weatherproofing and evaluation on it. Several board members made suggestions to improve Antonito work session attendance, including: highlighting accommodations around Antonito in the work session application packet; including an article in the Dispatch about working in Antonito; offering a shuttle service from Chama to Antonito; and outsourcing lunches in Antonito to reduce the Chama kitchen car workload.

Chama. A new project is to build a speeder shed to house the newly restored speeders. The shed is to be located in the vicinity of the existing shed near the Chama water tank. Director Herron noted that historically there was a two-bay speeder shed near water tower, as shown in Richard Dorman's Cumbres book, and that the new structure should be based on that one. Alternatively, Malcolm Mackey wondered if the speeder shed could be located in Antonito. Sahnd said that the Projects Committee would take these suggestions under advisement.

Sahnd also noted that there is a good chance that we will need to assist RGRPC in passenger car painting in May, and that the team restoring the telephone booths has asked that they be brought offline in order to repair them, possibly to Antonito.

Director Randall raised the issue that the Projects Committee often struggles in making decisions on projects in the absence of an overall interpretive plan describing how each artifact fits into the overall interpretation of the railroad. Shaw said that an interpretive plan is ultimately part of the master plan.

Director Fowler suggested that he would like to see the Friends create signage describing what various work parties are doing, to be displayed while the work is in progress. Randall reiterated his opinion that there should be no permanent signs hanging on equipment and so on, and Shaw indicated that this has been a long-standing policy of the board.

President Shaw reported on the Chama coal tipple--specifically the analysis being done to determine how to deal with the lean that the tipple has developed over time. The Osmose Company has examined the structure, and we are awaiting their report. Steve Kells and Jim Grice of Red Mountain Engineering have agreed to donate their time to prepare a report and analysis of the structure, addressing its history and recommendations for structural work. Shaw does not expect the report for another month or two. It is a very delicate matter to determine how much of the tilt to remove and to stabilize the structure without unintended consequences. There will likely be a range of options to consider, with various costs and risks associated with each. Bob Johnson has been advised that this is a capital project that is the responsibility of the commission. Nevertheless, we have a good chance to raise funds for this project because the coal tipple is an icon for the railroad.

## **7. Fundraising**

### **7.a 2001 Summer Appeal and Year End Letters**

President Shaw previously described the results of this year's summer appeal. As for the year-end letter, she expects that it will be a bit more refined than in the past, utilizing our membership database to incorporate personalized information. For instance, the letter can indicate a member's donation level from the previous year, and ask him or her to make the same or higher contribution for 2002.

### **7.b Strategies for 2002**

President Shaw led the board in a discussion of the 2002 funding strategies and policies document that she prepared and distributed prior to the board meeting. The strategy consists of four parts, as enumerated below.

1. Direct mail appeals. Both year-end and summer appeal letters will be sent in 2002. Per a suggestion from Director Craine, Shaw intends to ask large donors to make multi-year pledges. Shaw has talked to some of these donors already, so when the letter goes out the concept will have already been introduced to many of these people.

To continue increasing membership, each issue of the Dispatch will contain a membership/donation envelope. We intend to use the Dispatch to introduce the Friends to passengers by placing them at Osier and elsewhere. In addition, a direct mailer is being developed for people who have ridden the train. Ideally, we would like to extend the invitation to join within two weeks of their visit.

2. Grants. While our previous joint planning work has identified high priority projects suitable for grants, grant applications require detailed information about particular projects or groups of projects. Since we do not have this information on hand, it needs to be developed in order to apply for grants. President Shaw is working with a grant researcher to identify sources of corporate and foundation funding, and to prepare grant applications.

3. Endowment/Planned Giving. The summer letter solicited interest among members in naming the Friends as a beneficiary in a will or trust. Sample bequest language was developed and sent to those requesting it. In terms of endowments, the fundraising consultant with whom President Shaw is

working suggests that we establish an endowment fund at this time. Endowments are attractive to donors, and are indicative of an organization that does fundraising on a broad scale. Shaw suggested that ten percent of the money donated to Hipkind and Flowers funds be set aside to build endowment funds, and that donations made in memory or in honor of someone also be set aside in endowment funds. Such funds could be held in a restricted account until large enough to form a separate account.

Director Fowler described the concept of a family foundation, in which for a small fee--\$100 in Fowler's case--a family can establish a foundation for philanthropic purposes. Fowler suggested that such foundations could serve as vehicles to raise funds for specific historic artifacts. He strongly believes that people will donate more money for such artifacts if they feel a personal responsibility or attachment to it. Therefore, he suggested that every historic artifact be adopted by someone who promises to do something to benefit the artifact. Fowler also stressed the importance of always giving donors something in return for their donation, as a form of acknowledgement or thanks.

4. Acknowledgement. Recognizing donors is an important component of a fundraising policy. Shaw would like to improve our responsiveness in this regard, and to recognize large donors on a more personal level, via personal letters or telephone calls from members of the Fundraising Committee. She also indicated the need to establish a policy for recognizing donors via signage. Given the board's long-standing position that signs on equipment and facilities are undesirable, other forms of recognition need to be developed.

Director Herron suggested that in terms of acknowledgement, we should recognize people that contribute large amounts of resources in-kind--people that go beyond such as Bob Ground. They spend a lot of cash, but it just doesn't go to the Friends office. Director Fowler emphasized his belief that every donation be acknowledged in some fashion, citing examples used in raising funds to restore locomotive No. 463.

Fowler pointed out that while he is a member of the Fundraising Committee, he did not have the opportunity to review or participate in the fundraising strategies and policies document until the board meeting. He suggested that the committee needs to be fully engaged in the responsibilities for planning and establishing policies for fundraising, with the executive director responsible for implementing those policies. Further discussion of this was withheld pending the agenda item to discuss the executive director job description.

With respect to CHS as a source of grants, Fowler said that artifacts such as rolling stock need to be on the Colorado State Historic Register in order to be eligible for CHS funding, and that most of our artifacts are not so registered. Fowler expressed concern that this has not been done and is not currently being done. He is willing to do this himself but doesn't feel that he has the authority to do it.

## **7.c Policies Regarding Donations**

President Shaw proposed that we establish endowment funds at this time, as described earlier.

**M/S Lock/Smalley** to establish an endowment fund and to initially deposit into the Car Restoration Facility (CRF) account on an internally segregated basis the following amounts: (1) Those funds that are specifically given for endowment; (2) Those funds that are given as memorials or honoraria; (3) 10% of the donations to the Flowers and Hipkind funds. Per their original intent, the income generated from the Hipkind endowment fund will be used for interpretation, and the income generated from the Flowers endowment fund will be used for locomotive restoration and repair. **Passed unanimously.**

As a point of clarification, although the CRF account will be used to hold the endowment funds, that does not in any way imply that these funds will be used for the CRF. Instead, it is merely a bookkeeping convenience until the separate endowment funds become large enough to justify their own accounts.

## 8. Membership Report

Membership Committee Chairman Bunté reported that membership stands at approximately 1850, including about 50 complementary members. Dues collected year-to-date total about \$128,000. He also reported that all members of the Colorado and New Mexico legislature are now receiving the Dispatch.

## 9. Elections

Election Committee Chairman Herron led the board in a discussion of the committee's proposed changes to Article Six of the bylaws, relating to the election of directors.

The committee engaged the services of attorney John M. Hickey to review last year's election procedures, including the ballot design. To summarize, Mr. Hickey recommended leaving sections 6.1 and 6.2 of the bylaws relatively unchanged, and substantially modifying section 6.3 to grant specific authorization to the Nominating Committee to create, for approval by the Board of Directors, certain rules and regulations governing the procedures for nomination and election of directors. As New Mexico law requires that all amendments to the bylaws be filed with the New Mexico Public Regulation Commission, such an authorization in the bylaws would potentially minimize the number of amendments to be made to the bylaws to modify election procedures in the future. Regarding the design of the ballot, Mr. Hickey indicated that it is reasonable and fair for the Nominating Committee to design a ballot that distinguishes persons nominated by the committee from those nominated by petition.

Based on Hickey's recommendations as well as the discussion at the June board meeting, Director Craine proposed the following revisions to the bylaws:

1. Change the existing May 15 date in Section 6.2 of the bylaws to March 15.
2. Change the existing March 15 date in Section 6.2 of the bylaws to January 15.
3. Amend Section 6.3 to read as follows:

SECTION 6.3 MANNER OF ELECTION. a) The election of directors shall take place by written ballots mailed to the voting members not less than forty-five (45) days prior to the date of the next Annual Meeting. Mailing may be by non-profit bulk mail permit. Ballots received later than fifteen (15) days prior to the date of the next Annual Meeting will not be counted. If there are more nominees than directorships to be filled, those nominees receiving the highest number of votes shall be elected.

b) The Nominating Committee may, from time to time, make and amend rules and/or procedures pursuant to which the nomination and/or election of Board of Director candidates shall occur, including, without limitation, matters relating to the selection of Board nominees, voting procedures, ballot design and other matters. Such rules and/or procedures shall be consistent with the Corporation's Articles of Incorporation and Bylaws and shall be approved or ratified by the Board of Directors or Executive Committee. A description of any such rules and procedures shall be published in the organization newsletter, or otherwise, no later than January 15 of the year of the election.

**M/S Herron/Fowler** that we approve the changes in the bylaws specified in Bob Craine's memo, with the following additional changes: (1) The title of section 6.3 (b) be changed to "Section 6.4 Rules and Procedures Governing Elections"; (2) In Section 6.2, delete "in the organization newsletter." As a matter of practice, notification of election procedures will be placed in the Dispatch, in the annual membership letter, and on the Friends' web site. **Passed unanimously.**

**M/S Fowler/Herron** to distinguish on the Board of Directors ballot the slate of individuals nominated by the nominating committee from those individuals nominated by petition. **Passed unanimously.**

Given that notification of election procedures must now be communicated to the membership earlier than in the past, Director Fowler raised his concern that the Nominating Committee needs to be constituted as soon as possible. President Shaw will confer with Herron to set up the Nominating Committee, but she suggested that the current committee continue in its role to consider what rules we want to adopt.

## **10. Old Business**

There was no old business reported.

## **11. New Business**

### **11.a Set Dates for February-March 2002 Committee and Board Meetings**

The next Board of Directors meeting is scheduled for March 15-16. The following calendar of events are hereby listed for the record:

Mar. 15-16: Friends Board of Directors meeting, Albuquerque, NM  
Apr. 11-13: New Mexico Historical Society Annual Meeting, Las Cruces, NM  
May 13-17: Work Session A  
May 20-24: Work Session B  
Jun. 16: Friends Board of Directors meeting, Chama, NM  
Jun. 17-21: Work Session C  
Jun. 21: Friends Annual Meeting, Chama, NM  
Jun. 22: Friends railfan train  
Jun. 24-28: Work Session D  
Jul. 20: Friends 14<sup>th</sup> Annual Moonlight Train  
Aug. 5-9: Work Session E  
Aug. 12-16: Work Session F  
Oct. 22-27: ARM Convention, Plano, TX  
Nov. 5-10: TRAIN Convention, Durango, CO

### **11.b Change in Policy Regarding Merchandise at Tracksid Emporium**

President Shaw led the board in a discussion of merchandise at Tracksid Emporium in Chama. A few years ago we engaged with Tracksid Emporium to sell Friends merchandise on consignment, and to fill orders for membership premiums and from the Whistle Stop Shop. The Whistle Stop Shop insert is no longer distributed with the Dispatch, and merchandise sales have been winding down. Shaw suggested that we remove our remaining merchandise from Tracksid Emporium.

**M/S Sahnd/Briggs** to remove our merchandise from Tracksid Emporium at the end of the operating season. **Passed unanimously.**

### **11.c Possible Bylaw Amendment Regarding Membership Revocation**

Director Bianchi suggested amending Section 3.4 of the bylaws to require a super-majority vote to revoke a membership. He distinguished between revoking a person's membership versus declining a member's application to participate in a work session or other activity on behalf of the Friends. He thinks that the actions causing the board to revoke a membership should be such that a super-majority agrees with the revocation. Furthermore, there has been some criticism that the bylaws makes it too easy for the board to revoke a membership, and this would be a way to address that criticism.

Director Smalley argued against such a change, stating that membership is a privilege and that such a change would have a devaluing effect on membership. Director Fowler stated that if a motion to this effect were made, he would vote against it because he believes the concept of majority rule supercedes other considerations.

After some discussion, **M/S Lock/Briggs** to amend section 3.4 to require a two-third vote of the absolute number of directors. Section 3.4 to read:

SECTION 3.4 EXPULSION OF MEMBERS. Should the manner of conduct of any member be unbecoming to the principles and welfare for which the Corporation is organized, his or her membership shall be forfeited upon vote of two-thirds of an absolute number of the members of the Board of Directors.

**Passed 10 to 3.** Director Fowler's "no" vote duly recorded per his request.

## **12. Executive Director Job Description**

Vice President Herron and President Shaw led the board in a discussion of the executive director (ED) job description and possible changes in the Friends organizational structure relating to the ED and the presidency. Prior to the meeting, Herron distributed a document describing his proposed organizational changes, and Shaw distributed a document proposing the job description of a "Chief Executive" for the Friends.

Herron began the discussion with some history of how we arrived at the present arrangement. He recalled that when he joined the board in 1994 there was recognition that the organization had grown to the point of needing a full-time staff person. Serious discussions about such a position took place in 1998 and 1999. At its February 2000 meeting, the board created the position of ED and created the RGRPC at the same time. In March 2000 the board decided that the ED should sit on the board and also have the title of President. The board hired Terri Shaw as ED in June 2000.

After considerable discussion with Shaw, Herron has come to realize that the two jobs Shaw is performing—day-to-day administration of Friends programs and professional fundraiser--are more than one person can possibly manage. To her credit, Shaw has handled the load very well, but it is unreasonable for the board to expect this to continue indefinitely. The board collectively bears a large share of the responsibility for this situation because it approved the ED position without defining the responsibilities of the job, the reporting structure, or how the new position would affect the governing structure of the organization as a whole.

Herron's proposal separates the salaried ED position from the elected board of uncompensated directors. In his proposal, the ED would be the chief executive officer of the corporation and would not be a sitting member of the board. The ED would have direct responsibility for administration of the organization, and would share the responsibility for financial management with the treasurer. The ED would oversee all of the organization's programs. In most cases, this oversight would be conducted through a committee structure, with the ED working primarily with the chairs of the committees. The ED would also be responsible for several other corporate functions including fundraising, membership, outreach, public relations, planning, liaison with the commission and operator, the administrative aspects of our nominations and elections process, and orientation and training of new directors. In the case of fundraising, membership, and nominations, responsibility would be shared with the existing committees in these areas.

Herron proposed that as chief executive of the corporation, the ED should be given the title of President, and that a new position entitled Chairman of the Board be created. The chairman would be the chief officer of the corporation. This person would be responsible for making policy decisions

between board meetings and would oversee the ED. The other corporate officers (vice president, secretary and treasurer) would remain the same. The composition of the executive committee would be changed to include the four officers of the board, the ED, and the two state representatives. There was some discussion of the job titles, and whether we would be better off sticking with the present titles.

Following Herron's presentation, President Shaw reviewed her document, which set forth a draft of the duties of the chief executive of the corporation. These duties were partially modeled on materials from the National Nonprofit Board.

In the discussion that followed, it was generally agreed that the board's role is to set policy, and not to run the organization. The ED, or chief executive officer, is a paid employee of the board whose responsibilities are set by the board. The ED's role is to manage the operation of the organization and to ensure that board policy is adhered to.

Herron and Shaw felt that in order to reduce the direct burden on the ED, certain committees needed to become more functional than in the past. Shaw and Herron cited the Projects Committee as a model of a well-functioning committee, and offered that the Finance Committee and Fundraising Committees were two that need to become more functional. Regarding the ED's relationship with committees, Shaw said that the ED should be an ex-officio member of committees, and needs to be aware of every committee meeting through attendance or minutes or conversation with chair. Herron said that ideally the ED would oversee committees to ensure that they are on track. Director Fowler suggested the following phraseology: the ED *monitors* committees to *determine* whether program objectives are being met. The board also needs to create a reporting structure for the ED.

Fowler pointed out that Herron's organizational structure needed to include links to the commission and operator. Herron responded that in the best case the chairman of board would do this, but this is not likely to be practical, so the ED should handle this. This could be part of the ED job description, or the chairman could have the ability to delegate this job.

Herron pointed out that the board did not need to enact any structural changes until its March meeting because the changes would not go into effect until after the election in June. He suggested that an *ad hoc* committee be formed to refine the organization structure and report to the board in March. He proposed to chair the committee, and that the members include Gordon, Fowler and Smalley.

At this point directors Shaw and Bunté were excused from the meeting, and the board entered into executive session in order to further discuss the ED position. Director Briggs also left the meeting to attend to the set-up of the Black Forest dinner, which immediately followed the board meeting.

The following resolutions were passed during executive session.

**M/S Fowler/Smalley** to renew Shaw's contract for one year, from Jan. 1, 2002 to Dec. 31, 2002. **Passed unanimously.**

**M/S Gordon/Fowler** to increase Shaw's compensation by four percent, effective Jan. 1, 2002, and to provide her with three weeks of paid vacation. **Passed unanimously.**

**M/S Fowler/Lock** to define Shaw's title as Chief Executive Officer. **Passed unanimously.**

**M/S Fowler/Sahnd** to create a committee consisting of directors Herron (chair), Gordon, Fowler and Smalley, for the purpose of defining the CEO job responsibilities and to work with Shaw and report to the board. **Passed unanimously.** [Secretary's note: Herron subsequently added Frank Yockey to the committee.]

**13. Adjournment**

The board emerged from executive session at 5:16 p.m. **M/S Gordon/Lock** to adjourn. Adjourned at 5:16 p.m.

Respectfully submitted,

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Curt Bianchi, Secretary