

INTRODUCTION

Proposed Revisions to Friends By-Laws in accordance with

ARTICLE IX

AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the Trustees present at any regular meeting or at any special meeting, if at least ten (10) days written notice is given of intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

Procedure for Submitting a Revision to By-Laws

All proposed revisions must be submitted in writing.

All proposed revisions must describe the reason that the change is necessary and how the change solves the problem.

All proposed revisions must consider any cost impact.

All proposed revisions must contain the author's contact information in case the Revision Committee has questions or needs clarification.

Note: Proposed alterations presented below are in red & italic & underlined type. Deletions are shown with a double crossout. e.g. ~~Deletions~~

The Committee will note its recommendation for Approval or Rejection of each proposed change. The Committee will specify its reasons for any recommendation of Rejection.

PROPOSED CHANGE #1

The Committee recommends Approval of this change.

ARTICLE III

BOARD OF TRUSTEES

Section 2. NUMBER, TENURE, AND QUALIFICATIONS. The number of Trustees shall be nine (9). The members ~~at~~ *preceeding* their annual meeting in October, shall, by majority vote, elect ~~annually~~ three (3) members who shall take office at the next regularly scheduled meeting of the Board thereafter and who shall serve as Trustees for a term of three (3) years. *This election shall be held by written ballot provided to all members by mail and returned to the chairman of the elections committee at least one (1) week prior to the scheduled annual meeting of the members. However, if no more than three (3) members run for the office of Trustee then they shall be deemed to be elected by acclamation and ballots shall not be required.* A Trustee may not serve for more than three (3) full consecutive terms unless a minimum of one (1) year elapses before election to succeeding terms. In order to qualify for a position as a Trustee, the individual must be a current member in good standing and be at least 18 years of age at the time of election.

Justification for this change

ARTICLE III

BOARD OF TRUSTEES

Section 2. NUMBER, TENURE, AND QUALIFICATIONS.

THE PROBLEMS:

1. Although the Friends of the Nevada State Railroad Museum have for some years held mail-in elections the By-Laws do not specifically provide for this type of ballot.
2. When no more members run for office than there are openings to be filled, mailing of ballots is an unnecessary expense.

THE SOLUTION:

1. This removes any conflict between the By-Laws and current practice.
2. An election by acclamation saves the cost of postage (estimated \$400.00 to \$500.00).

THE COST:

This will not create any cost to the Friends of the NSRM and can create savings.

PROPOSED CHANGE #2

The Committee recommends Approval of this change.

ARTICLE III

BOARD OF TRUSTEES

Section 3. REGULAR MEETINGS. Regular meetings of the Board of Trustees shall be within fourteen (14) days of and including the first Thursday of the following months: February, April, *June*, August and December. The Board may provide by resolution the day, time and place, either within or without the State of Nevada for the holding of regular meetings. A Board meeting shall also be held in the month of October, and shall constitute the Annual Membership Meeting of the corporation. Meetings shall be held at such time and place as, from time to time, may be designated by the President or any two (2) Trustees. The Board may provide by resolution the time and place, either within or without the State of Nevada for the holding of additional regular meetings of the Board without other notice than such resolution. Notice of the time and place of the meetings shall be given by the Secretary not less than ten (10) days, nor more than sixty (60) days, before the scheduled date.

Justification for this change

ARTICLE III

BOARD OF TRUSTEES

Section 3. REGULAR MEETINGS.

THE PROBLEM:

It appears that the month of June was inadvertently left out of this section when it was last published.

THE SOLUTION:

This returns the month of June to the By-Laws.

THE COST:

This will not create any cost to the Friends of the NSRM.

PROPOSED CHANGE #3

The Committee recommends Approve of this change.

ARTICLE III

BOARD OF TRUSTEES

Section 5. NOTICE. Notice of any *regular or* special meeting of the Board of Trustees shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail, *E-mail* or facsimile to each trustee at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. *If notice is given by E-mail it shall be deemed to be delivered when sent unless the E-mail is returned as undeliverable. In that case notice shall immediately be sent by United States mail.* If notice be given by facsimile such notice shall be deemed to be delivered when the facsimile transmission is completed. Any Trustee may waive notice of any meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-laws.

Justification for this change

ARTICLE III

BOARD OF TRUSTEES

Section 5. NOTICE.

THE PROBLEM:

At present the only methods specified in the By-Laws for notification of meetings is by personal delivery, by U. S. Mail or by Facsimile. However, E-Mail is now commonly used for notification.

THE SOLUTION:

Computer technology has made E-mail an effective method to provide notice to members of the Board of Trustees. This change will add this option to those methods already listed in the By-laws and includes notice for both regular and special meetings.

THE COST:

This will not create any cost to the Friends of the NSRM.

PROPOSED CHANGE #4

The Committee recommends Approve of this change.

ARTICLE III

BOARD OF TRUSTEES

Section 12. EX-OFFICIO MEMBER. By virtue of his office, the Director of the Nevada State Railroad Museum shall be an Ex-Officio, non-voting, member of the Board of Trustees of the Friends of the Nevada State Railroad Museum. This membership shall not be counted when determining a quorum or when a majority or two-thirds vote is required. The Ex-Officio member shall not be appointed to any committee.

Justification for this change

ARTICLE III

BOARD OF TRUSTEES

Section 12.

THE PROBLEM:

The support group for each of the other museums within the Nevada State Division of Museums & History has the director of that museum as an Ex-Officio member of its governing board. The Friends of the Nevada State Railroad Museum does not.

These are Peter Barton's notes:

One change to the by-laws that I urge be seriously considered (I have it on good authority that the Board of Museums & History will require it) is that the Director of the Nevada State Railroad Museum be appointed as an "ex-officio" member of the Friends Board. All other "Friends" organizations within the State system have a provision whereby the Agency Director is a member, ex-officio of the support group Board. We're not likely to avoid that provision going forward. We should talk about this and see that it is included for consideration. Thanks.

Peter D. Barton

To be consistent with other such relationships in the Division of Museums & History where a "friends" group supports the museum, the ex-officio appointment of the Museum Director to the Board is as a non-voting member of the Board. The purpose of having the Museum Director on the Board of the support organization is to show solidarity both ways and to insure compliance, when required, with State regulations, Internal Controls and operating practices.

Peter D. Barton

THE SOLUTION:

This provision would make the Friends of NSRM consistent with the similar organizations. This change does not make the board one of ten members when determining a quorum, a majority or two-thirds. A majority of board members would remain five and two-thirds of board members would remain six.

THE COST:

This will not create any cost to the Friends of the NSRM.

PROPOSED CHANGE #5

The Committee recommends Rejection of this change.

ARTICLE IV

OFFICERS

Section 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the ~~Board of Trustees~~ *General Membership. Candidates will be chosen from the members of the Board of Trustees. Ballots to be mailed to the membership prior to ~~the~~* the first regularly scheduled meeting following the regular annual meeting of the Board of Trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his qualified successor shall have been duly elected. Qualifications for office are; both a current member of the corporation and a current member of the Board of Trustees.

Justification for this change

ARTICLE IV

OFFICERS

Section 2. ELECTION AND TERM OF OFFICE.

THE PROBLEM:

There is a perception that the Board of Trustees is run by a clique.

THE SOLUTION:

This new process makes selection of officers a much more democratic method. Officers will be elected from the Board of Trustees who have also been elected by the general membership.

THE COST:

There will be an additional cost incurred, printing of the ballots and mailing fees for the ballots and campaign material. I believe this would be a worth while expenditure of funds.

SPECIFIC OBJECTIONS TO THIS PROPOSAL:

THE PROBLEM

The perception is that a clique runs the Friends: Of the nine members on the board, as it is presently constituted, three volunteer only in Museum Services, three volunteer only for Train Operations and three volunteer in both areas. This hardly defines any kind of clique! All of them volunteer their time to the museum as well as to the Friends.

The only clique apparent among the Friends is made up of those who prefer to complain and undermine others but are not willing to put their hands to the work to be done. There has been nothing presented that specifies actions taken by the board that do not either benefit the museum or the corporation.

THE SOLUTION

1. If the entire membership should elect the officers, by mail, from among the nine members of the board, we must find more than one board member willing to run for each of the officer positions. Having four officers to select creates this problem: to have a contested election, eight of the nine board members would have to be both willing and able to do each job. Right now it is difficult to find anyone who expresses any real desire to serve in these capacities. Instead the officers serve because they feel they are needed and do have the ability to do the job well.

2. Why not trust the Trustees to do the job for which they were elected? If they are not to be trusted perhaps others should have been elected in their stead. Oh, yeah, no one else was willing to run for a position on the board!

3. Does the proposed change solve the perception problem? No! If the direction of the board is to be changed then having different people on the board is the best way to do the job.

THE COST

The cost of mailing ballots at present runs between \$400 and \$500. More costs would be entailed in providing the membership with material about candidates and their qualifications. If there is opposition to some of the candidates being elected as officers, material to that effect would need to be produced and mailed as well. This is money that would be better spent advancing the mission of the museum.

CONCLUSIONS:

This proposal would spend some of the money in the Friend's accounts to take an action which would be ineffectual in changing what the proponents claim to see as the problem. And, this spending would be perpetuated from year to year.

If a clique truly were to be in charge of the Friend's Board of Trustees, they should be replaced by electing different board members. Choosing officers from among any perceived clique by world-wide voting will not change the pool of eligible candidates nor improve the makeup of the board.

The By-Law Revision Committee recommends that the Board of Trustees reject this change to the By-Laws.

Russ Tanner

Chairman, By-Law Revision Committee

PROPOSED CHANGE #6

The Committee recommends Approval of this change.

ARTICLE IV

OFFICERS

Section 7. TREASURER. ~~*If required by the Board of Trustees, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Trustees shall determine. He*~~ *The Treasurer* shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VI of these By-laws, and, in general, perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to him by the President or by the Board of Trustees. ~~*If required by the Board of Trustees, the Treasurer*~~ *he shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Trustees shall determine.*

Justification for this change

ARTICLE IV

OFFICERS

Section 7. TREASURER.

THE PROBLEM:

All the other descriptions of the duties of officers of the corporation begin with a listing of those duties. However, the Treasurer can also be required to post a bond. To make the descriptions read alike the statement of the possible bond requirement should be listed after the duties are described.

THE SOLUTION:

This makes consistent the descriptions of the officer's duties and moves the option to demand bond or surety to the end of the description. Substitutes the words 'The Treasurer' for 'He' and 'he' for 'the Treasurer.'

THE COST:

This will not create any new cost to the Friends of the NSRM.

PROPOSED CHANGE #7

The Committee recommends Approval of this change.

ARTICLE V

COMMITTEES

Section 8. AUDIT COMMITTEE. The Audit Committee shall be made up of a chairman selected from the Board of Trustees and two (2) members selected from the membership at large. The chairman shall be appointed by the President of the Board of Trustees and the additional members shall be appointed by the chairman of the Audit Committee. The Audit Committee shall:

Develop procedures to ensure that all financial matters are performed in accordance with good accounting practices consistent with 501 (c) 3 corporations and with other museum support organizations.

Provide direction to the Board of Trustees and training to the Treasurer to ensure that these procedures are documented and understood.

Perform periodic internal audits of the financial records to ensure all financial transactions are performed in compliance with these procedures. The timing and frequency of these audits shall be determined by the Board of Trustees.

Report the results of these audits to the Board of Trustees and to any other parties as requested by the Board of Trustees.

Unless otherwise stated the committee shall be governed by the procedures described in ARTICLE V, Section 2, OTHER COMMITTEES of the current By-Laws.

Justification for this change

(See next page.)

ARTICLE V

COMMITTEES

Section 8. AUDIT COMMITTEE

THE PROBLEM:

Our organization with help from the NSRM is involved in requesting grants to fund additional projects. Most of the grants require audited financial statements. The cost to our organization for externally audited financial statements may be significant.

THE SOLUTION:

The internal audits and reports will help alleviate this problem. In addition these policies should answer any questions from our membership regarding the financial integrity of our organization.

This amendment deals only with Internal Audits and related procedures.

The board, at its discretion, can choose to have an External Audit performed at any time. Such an audit is likely to be expensive, but may be demanded by some granting organizations. Having documented procedures, reports of internal audits and training for the Treasurer may contribute to eventual reduction in the overall costs of External Audits when they are required.

THE COST:

This process will not create any significant increase in cost to the Friends of the NSRM.

PROPOSED CHANGE #8

The Committee recommends Approval of this change.

ARTICLE VII

FISCAL YEAR

The fiscal year of the corporation shall *be the same as the calendar year and shall* begin on January 1 and end on December 31 of the ~~succeeding~~ *same* year.

Justification for this change

ARTICLE VII

FISCAL YEAR

THE PROBLEM:

There appears to be an error in the wording of the current By-Laws that makes a fiscal year two years long instead of only one year as it should be.

Example of the error: FY 2007 starts Jan. 1, 2007 and ends Dec. 31, 2008, the succeeding year.

THE SOLUTION:

This change makes the fiscal year the same as the calendar year, thereby easing the Treasurer's reporting to the IRS, and specifies that the year be from January 1st to December 31st of the same year.

THE COST:

This will not create any new cost to the Friends of the NSRM.

PROPOSED CHANGE #9

The Committee recommends Approval of this change.

ARTICLE IX

PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order, Newly Revised shall govern the Board of Trustees in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Board of Trustees may adopt.

Justification for this change

ARTICLE IX

PARLIAMENTARY AUTHORITY

THE PROBLEM:

At present there are no rules which govern the way that board meetings are held. Generally they are held with some semblance to *Robert's Rules of Order*, but there is nothing to which to refer if there is a question of precedence or order.

THE SOLUTION:

The object of Rules of Order is to facilitate the smooth functioning of a meeting and for resolving any questions of procedure that might arise. Special rules of order can be adopted by the board to supercede any rules in the parliamentary authority with which they may conflict and the rules can be suspended if that is conducive to easing the business before the board. A specific document is advantageous to have as a reference from which all other actions derive. *Robert's Rules of Order* has been the generally recognized standard for meetings and organizations since 1876. It is currently in its tenth edition.

THE COST:

If this article is adopted the board should obtain a copy of *Robert's Rules of Order, Newly Revised* and have it available whenever reference to these rules is needed. As of January 2008 the book is available for \$18.00.

PROPOSED CHANGE #10

The Committee recommends Approval of this change.

ARTICLE ~~IX~~ X

AMENDMENTS TO BY-LAWS

These By-laws may be altered, amended, or repealed and new By-laws may be adopted by a two-thirds majority of the entire Board of Trustees ~~present~~ at any regular meeting or at any special meeting, ~~if at least ten (10) days written notice is given of intention to alter, amend, or repeal or to adopt new By-laws at such meeting.~~ All proposed amendments shall be submitted to the standing By-Law Revision Committee at least thirty (30) days before the following regular meeting of the board. The committee will present them to the Board of Trustees with the required notice at the next board meeting with their recommendation for acceptance or rejection. At least ten (10) days written notice must be given by the committee to the board of intention to amend or alter or repeal By-Laws or to adopt new By-Laws. The required notice must contain, in writing: the proposed amendments, and the problem to be solved, the solutions and the cost of such recommendations. The Board may amend any proposed amendments and adopt them without further notice being given.

Justification for this change

ARTICLE ~~IX~~ X

AMENDMENTS TO BY-LAWS

THE PROBLEM:

At present the By-Laws can be amended by a simple majority of the board present at any meeting of the board. With a quorum of five this means that as few as four members could make substantial changes to the By-Laws. The board can be presented with changes without seeing them in writing beforehand.

THE SOLUTION:

This amendment requires that the process for change be more open and that a super-majority of the entire Board of Trustees must act on any changes. This defines the process by which changes may be made. Any proposed changes and reasons for the change must be in writing as part of the required ten days notice before the board takes any action in amending the By-Laws. It does permit the Board to amend the proposals that come before it and then to adopt the amended change without further notice.

The Article would be renumbered from IX to X so that it remains the last Article in the By-Laws.

THE COST:

This will not create any new cost to the Friends of the NSRM.

Notes:

I suggest that we change all references to 'By-laws' to the term 'By-Laws.' All other documents I see have the upper-case 'L' in the term.

An amendment to the By-Laws goes into effect immediately upon its adoption unless the motion to adopt specifies another time for its becoming effective. (According to Robert's Rules of Order)
We need to be sure that the effective date is correctly shown on the final By-Laws document.

I doubt that we need permission from the board to do these things.
