

ARKANSAS-BOSTON MOUNTAINS CHAPTER

NATIONAL RAILWAY HISTORICAL SOCIETY

Chapter No. 188 founded in 1987



2013 DIRECTORY OF OFFICERS

President	Bob Stark
Vice President	Al Kaepfel
Secretary	Malcolm Cleaveland
Treasurer	Tom Duggan
Program Director	open
National Director	Ken Eddy
Board Director	Larry Cain
Editor	Bill Merrifield



Our website address is www.arkrailfan.com

NRHS Chapter meets at 7:00 PM, August 21, 2014 at the Shiloh Museum Store.

The Scrambler

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Monthly Newsletter of the
Arkansas-Boston Mountains Chapter, National Railway Historical Society

CHAPTER MINUTES

Meeting of the Arkansas-Boston Mountains Chapter of the National Railway Historical Society at the Shiloh Museum, Springdale, AR July 17, 2014. Meeting was called to order at 7:06 PM by the President, Bob Stark. 15 members were present and no guests. Low attendance was probably due to rain and record low temperatures.

Ken Eddy, the National Representative, said that ballots for the NRHS election were due by August 1. The change to a web-based membership renewal and dues collection will not take place in 2015 due in part to resistance by people who cannot use the internet, incredible as that may seem. Tom Duggan sent around an analysis of the plight in which the NRHS finds itself, which is appended. The NRHS is formulating new business and financial models to cope with its dire situation, which includes declining membership and annual losses. Chuck Girard, local membership, was not present.

Tom Duggan, the Treasurer, reported our total assets as \$11,816.49, with \$782.66 in the checking account and 11,033.83 in the investment account. Expenditures: 100 Frisco pins \$233.77, Frisco T-shirts \$406.34, maps \$229.95, registration fee reimbursement \$295. J. P. Bell gave us 30% of his silver gelatin print sales, \$120. We spent \$458.06 more than we sold at the Convention, but will recoup that when we sell the acquired inventory at future events.

Bill Merrifield, the *Scrambler* editor, apologized for the lack of May and June issues due to the illness and passing of his wife, Ruth. He will try to put out one page editions for May and June so the archives will be complete.

Old Business: The Convention attendance was over 350 and apparently National viewed it as a success. Attendees enjoyed their visit to NW Arkansas and their glimpse of a successful short line, the A&M RR.

New Business: Frisco Fest will occur on Saturday, August 23. A signup sheet was passed around. There will be a Frisco/MoPac Convention in Joplin Thursday through Sunday, October 9-12. Our own Mike Sypult will be one of the presenters. Many interesting activities are planned. Details are available at Frisco.org website.

Barbara Gavron said she had been investigating possible usage of social media by the Chapter to recruit members, make us better known, etc. She found a woman who is highly conversant with social media, Chrystal Kaykendahl, who would be able to set the chapter up on Facebook, Youtube, Twitter, etc. She charges a fee for this service.

Train Talk: Ray Toler said the new Tired Iron loco (GE 25 ton, 2 axles) can be seen at the Tired Iron compound on Dawn Hill Road, N out of Siloam Springs, go right at the big Baptist Church. It is one mile S of the power plant, which can be seen for miles around. Ray also recited "The Wreck of Old 97" and then asked questions about the locations of places mentioned in the poem. Mitch Marmel said that GlitchCon, a steampunk (an alternate reality in which steam still plays a large role in modern society.) convention would occur on Friday, August 1 at the Springdale Holiday Inn. This might be an opportunity to get people interested in Railroading and railroad history.

Programs: Mitch gave a program with early 20th century material from the Library of Congress archives and Youtube.

Adjourned 8:45 PM.

Malcolm K. Cleaveland
Secretary

LOCALLY ON THE BEAM

All Hands Attention- Important Schedule Updates:

1. Next Meeting we'll be accepting nominations for 2014 preservation awards To be voted on in September-October.

2. The **Frisco Fest** will be August 23. Mark the calendar we still need more help. We will be selling pins, maps and T-shirts and running the G scale for the kids. We need to be sure that certificates are ready for the kids and that arrangements have been made with A&M's Brenda to get our equipment down from the attic by Friday, August 22.

A sign up sheet will again passed at the August 21 meeting. We need someone to be responsible for the handling our selling. Our CFO Tom will be out of town traveling that day.

3. Our programs line up for the rest of year are August: Dispatcher Bob Stark; September: Engineer Dick Hovey; October: Scribe Bill Merrifield, November: Show & Tell (We better have more folks step up this time), December: Christmas Party on the A&M. Our VP told me last week that our interest and participation for last year's train dinner was quite poor. He stated that if we can't get more interest in the train dinner then we must forget it. You better speak up and participate if we are to continue with this.

4. Have we made any progress on the Frisco interview project?

5. HRVP Chuck could we have an updated manpower listings handout?

Enough for now. Dispatcher Bob

Chapter member, Bob Hofer, is making a slow recovery from a broken hip. He has a new hip installed and has daily walking exercises. Bob is at the Highlands Rehab in Bella Vista and welcomes visitors.

We welcome new Chapter member Robert Stark, Jr. He resides at 2418 Easy Street, Rogers, AR 72756

Appended analysis of NRHS fiscal and organizational situation by Tom Duggan: Please be sure to read this memo in its entirety. It affects our Chapter's future!

NRHS Future Uncertain
By Tom Duggan

NRHS President Greg Molloy on June 12, 2014 provided a sobering overview of the NRHS that clearly indicates a "guarded" future.

1. The NRHS lost \$72,000 in the year ended December 31, 2013 compared to a loss of \$272,000 in 2012. The 2013 Alaska Convention made a profit of \$ 48,000 and had 371 registrants. NRHS also had a one-time capital gain of \$36,000. The NRHS has exhausted its liquid reserves that formerly enabled it to absorb losses.
2. The 2012 Rail Camp accident in Washington State involving a counselor and a 21-year-old camper required that NRHS spend \$38,000 in 2013 in legal defense costs. The camper lost a hand as the result of the accident for which the NRHS counselor received a DUI conviction. John Fiorillo, NRHS Legal Counsel, told me that the NRHS rental car was well covered with insurance and that the camper himself was well insured. The camper will require a prosthesis for the rest of his life. The focus now is arriving at a settlement. From Fiorillo's comments I concluded that any settlement will come from insurance companies, not NRHS.
3. Rail Camp was suspended in 2013 due to facility liability issues but is operating in 2014 in two locations with a total of forty campers.
4. NRHS ended the membership year of 2013 with 11,537 members (in 150 chapters), down 7.2 % in members from 2012. The development of membership has been as follows: : 1980-9,000, 1990-20,000, 2000-19,000, 2010-14,000, 2011-13. President Molloy has often noted the peak in membership in 1994 was the same year Norfolk Southern ended its steam program. NS has had a steam program the last few years yet NRHS memberships continue to decline.] NRHS has had a decline in members for the past ten years.
5. A large one-time bequest in 2009 allowed the organization to operate as if the current business model was satisfactory. Now, without funds NRHS needs to reinvent itself as the existing business model cannot be fixed.
6. The critical cash shortage means the NRHS cannot sustain the level of activities that currently exist. [Note-The NRHS Railway Preservation Grants (\$50,000 in 2014) are funded by donations made by individual members, not with NRHS dues]. A simpler and less expensive dues collection system needs to be implemented .The service agreement with the Fernley & Fernley organization is slated to expire on June 30, 2014. There were performance issues with Fernley & Fernley that required the intercession of NRHS members to clean up the errors.
7. According to Molloy "Resistance to change is growing within the Chapters" and several chapters have mentioned a possible exit from NRHS. The controversial program of internet-based dues renewal for 2015 has been the subject of much discussion. The Springdale Board of Directors meeting decided (a) **not** to implement the planned internet based system for calendar year 2015 and (b) return to the old system for 2015 that involves national billing by NRHS and local dues collection.

8. NRHS is in the process of establishing a new non-profit entity called the NRHS Fund. It would be a conduit for charitable contributions that members currently make to NRHS.
9. The NRHS Board of Directors have established a “New Business Model Committee” that will submit a new business model to the full Board by December 15, 2014. The full Board will then vote yes or no on the new business model without the possibility of amendment. The Committee is charged with developing the following for NRHS:

Vision, Business Model, Financial Model, Governance Structure, Framework for Implementation

10. The NRHS Board has delegated powers for operation of the NRHS to the officers of the NRHS. The delegated powers will expire January 11, 2015.

The New Business Model Committee faces a huge challenge in changing a large organization that appears to have lost its focus or ability to change with current conditions. Much time has been spent by good folk dealing with internal issues (it took years to implement the current Board of Directors structure, a vast improvement over the perhaps excessively democratic model of one or more votes for each individual chapter)

Within our own Chapter there have been those who suggest that we emulate the late Little Rock Chapter by leaving NRHS. The Little Rock group then imploded within a short time of the disaffiliation. My thought is that we need to be patient and see what is proposed. Obviously a concern is even higher dues for a declining base of Chapters that could produce a “death star “ effect as costs are spread over a smaller membership base.

We should however also take a careful look at the Chapter by Laws as I recall a proviso that funds of the Chapter be distributed to a non-profit in the event the Chapter goes out of business. It is unclear what happens if we re-incorporate under a different name. There are a number of potential legal/tax issues that may require review by an attorney. It is possible that we would have to file a new 501-c-3 non-profit application with the IRS as well as file an application for a new corporate name with the Arkansas Secretary of State. (Our current legal name is Arkansas Boston Mountain Chapter, **National Railway Historical Society, Inc.**)

Ken Eddy, the Chapter’s Delegate, has been a regular attendee at the NRHS quarterly meetings. Hopefully he will be able to provide us with updates during the crucial coming months.

Addendum: The New Business Model committee will submit a new business model to the directors for an up or down vote on September 15, 2014. A second committee will be examining NRHS to ensure that NRHS is able to stay afloat financially for the next few months.

Railroad Historical Societies Joint Convention: The joint meeting of Frisco.org and the Missouri Pacific Historical Society will be held in Joplin, MO, on October 9 - 12.

Registration: To attend all days of the event, the cost is \$40.00. Friday only or Saturday only will be \$20.00. The bus tour on Sunday morning will be \$15.00 in advance or \$20.00 after the convention starts. Space will be limited, so reserve your spot, now. Kevin Love, 2014 Convention Host email: president@mopac.org 888 N. Dade 177 Dadeville, MO 65635-8131 phone: (417) 995-2812 (home) or (816) 591-0147 (cell). Also check the website for Frisco.org for registration information.