



A New Direction

To Our Shareholders:

The New England Electric Railway Historical Society, d/b/a Seashore Trolley Museum, is in the process of making a significant move and establishing a new governance board to oversee and direct the Society. We hope to accomplish this through mission-critical revisions to our Bylaws voted upon by our shareholders in a Special Meeting in 2020.

The ultimate goal is to greatly increase the efficiency, professionalism, and development efforts of the Society, which includes no longer electing 100% of our Trustees from our core membership of railfans and transitfans annually (as it has for eighty years). Instead, we hope to directly choose people from business, community, and our shareholders to jointly lead the Society.

Why Change? The Seashore Trolley Museum has been successful in its work to date measured against any standards. Over its 80-year history, it has assembled the world's largest collection of streetcars and other transit vehicles, a large artifact collection and has grown steadily in membership, to around 1,000 members today. We host 22,000 paying guests a year, and our staff and volunteers serve as consultants to several nonprofits, fellow societies, and transit authorities worldwide.

We Can Do Better. While we celebrate our success, we live with a harsh reality. Only a third of our planned site development and much less than a third of our anticipated collection restoration has been completed. Many items in our collection that we worked so hard to save and preserve, and several one-of-a-kind parts are still outside, exposed to our harsh coastal Maine climate.

While our board structure and shareholder election process have gotten us to this point, we can no longer keep up; as the needs of our collection and our campus grow, the administrative load is growing for the Society as well. The realization that our small group of leaders and other active members are not able to meet the needs of our Society forward, beyond where it is today, comes through several signs:

- Most of our core members do not really want to do administrative work and do not have the right skill sets. While many members can speak at great lengths about the needs of the Society, few have successfully taken the lead on working towards a sustainable, long-term solution to fill those needs.
- Many core members are not able to give at a level that supports the Society's budget, and many do not have the network to ask for donations that would support the Society at a meaningful level.
- The goal at all Board meetings, discussions at our Annual Meeting, and town halls at Members Day is to always have strategic conversations around planning for our future. However, vocal members and leaders can't seem to break the cycle of shifting our conversations away from big picture planning and only focus on the day-to-day work. It is a constant challenge to get the business of the Society done when our real love is of streetcars, rapid transit, trackless trolleys and buses, and the overall museum operation.
- Our 2020 Strategic Plan will announce that in order to reach our short-term site development goals, we need to raise ten times as much in capital funding over the next five years as our membership has successfully raised in the last ten years.
- The "business load" on the Trustees grows larger and larger – we are now a \$5M enterprise. Our small group of leaders is overloaded and burnt out.

The situation we are currently in has manifested itself in many ways, but particularly noticeable is the draining of valuable railway heritage knowledge and resources away from the historical activities of restoration and interpretation, tying them up with administration. Even with the addition of a professional Executive Director eight years ago, the load continues to climb and the challenges of managing both volunteers and staff require some new direction.

The Next 80 Years Need Something More! Changes to our Bylaws will allow us to recruit Trustees from industries including hospitality and tourism, heritage preservation, finance, and transportation. We will look for a broad range of experience, community involvement and skills. A new mix of Trustees will provide the Society with:

- A stronger linkage with our home community
- The ability to select Trustees for their specific business and administrative skills
- Increased and more powerful fundraising access
- A much broadened base of administrative volunteers
- A more professional administrative approach
- More reasonable individual Trustee workloads
- An ability to return the fun and motivation to our projects

Under our proposed changes, the board would approve the budget and help with administrative decisions, as well as give guidance on policy, but would stay out of the details. Administrative officers will be even more empowered to work together and carry out museum operations and project oversight.

Our overall goal – and the reason that we are railway and historic preservationists in the first place – is to see our collection preserved for future generations. A new Board of Trustees structure elevates our abilities to a new level and will help us with both the fundraising needed as well as the administrative direction necessary to see these goals achieved. The board will be a key part in helping us achieve our mission for another 80+ years.

For the Good of the Society,

The Bylaws Committee

Rob Drye (Committee Chair), Vice Chairman, Board of Trustees

Tom LaRoche, Chairman, Board of Trustees

Jim Schantz, President & CEO

Karen Dooks, Trustee

Bylaws Committee Timeline

December 2, 2019: A full version of proposed bylaws changes with justifications will available on our website, emailed to shareholders, and mailed to shareholders without email addresses on file.

Roundtables with Members: Learn more about the proposed changes and share your feedback with the Committee.

Monday, December 9th, 7PM-8PM: Conference Call Roundtable. Dial-in number: (605) 313-4100; Access code: 648468

Thursday, December 12th, 6:30PM-7:30PM: Pollard Memorial Library, Ground Floor Community/Meeting Room, 401 Merrimack Street Lowell, MA 01852

Wednesday, December 18th, 3PM-4PM: Seashore Trolley Museum, Visitors Center Exhibit Room

Written comments and suggested revisions must be sent to Committee Chair, Rob Drye, at robert.c.drye@hitchcock.org by Friday, December 20th to be considered.

Saturday, January 18th: Final review of the Bylaws revisions by Trustees. Trustees will select the date of the Special Meeting for shareholders to vote on the revisions. A Final version will be sent out to members with the notification of the Special Meeting at least 14 days in advance of the scheduled meeting.

New England Electric Railway Historical Society

Proposed Bylaws Changes: The Highlights

Article IV. Board of Trustees

Section 1. General Powers. This section is new and lists the most significant expectations of Trustees moving forward. The additional expectations for all future Trustees includes: Helps develop, support and implement the strategic business plan and long-term site plan; Ensures adequate financial resources for the Society, including supporting the budget through personal resources; Expands the Society's network of friends, providing opportunities to promote mission, fund development, and reputation; and Enhances the Society's public standing through advocacy and involvement.

Section 4. Selection of Trustees & Section 17. Transition during Revision to Bylaws. A proposed change to the way Trustees are currently elected, and a provision to effect the orderly change from the current shared-voting structure of Trustee elections to a self-perpetuating board. Following the Annual Meeting in April 2020, Trustee elections among members will no longer take place. The Trustees will appoint four (4) new Trustees in April 2021, to replace the four Trustees that will be terming off the Board. These appointed Trustees may be members of the Museum, or members of the community. Eight elected Trustees will remain. Each subsequent year, four new Trustees will be appointed by the Board of Trustees. In 2023, all Trustee positions will be filled by appointments from the Board of Trustees.

Section 12. Removal for Absenteeism. This section is new and establishes an attendance policy for Trustees. A Trustee is allowed no more than two (2) unexcused absences from regular meetings during a fiscal year; an unexcused absence is defined as an absence that has not been confirmed at least 48 hours in advance of the scheduled meeting.

Section 16. Conflict of Interest. This section is new and states that any member of the Board of Trustees who has a financial, personal, or official interest in, or conflict or appearance of a conflict with any matter pending before the Board of Trustees, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, will offer to recuse himself/herself from voting on said item.

ARTICLE VI: Committees

Section 1. Standing Committees (and also addresses Term Limits). Establishes a new committee—the Board Development Committee, which shall consist of no fewer than three (3) Trustees and no more than three (3) non-Trustee shareholders. Duties include maintaining an accurate accounting of needed strengths of Trustees, to recruit Trustee prospects that meet these needs, to mentor new Trustees and complete an orientation with each new Trustee. The Committee shall review and re-nominate Trustees seeking to continue on the Board for additional one (1) year terms after completing two (2) consecutive 3-year terms.

The Executive Committee is also included in this section. This committee shall consist of the Chairman and three other incumbent Trustees, appointed by the board. This committee will meet as needed and take action on Trustee business that comes up between meetings.

Article VIII. Annual & Special Meetings

Section 3. Voting. Until 2030, voting at Annual Meetings, special meetings, and on amendments to the bylaws of the Society shall be by shares on a basis of contributions on record at the end of the previous year. In 2031 and all years following, voting at Annual Meetings or special meetings shall be restricted to eligible shareholders and a simple majority.

Section 6. Absentee Ballots (to replace Proxy Voting). If a member is not able to attend the Annual Meeting in person and a vote is scheduled to occur, they may complete an Absentee Ballot. Formal Absentee Ballots will be mailed to all members within 30 days of the Annual Meeting. Members must complete and sign the ballot, and mail it back to the Society to be received at least one day in advance of the Annual Meeting.

Article X. Membership

Section 7. Dues Renewal. Proposed changes--If a member's dues remain unpaid on March 1, the member's privileges are suspended. When a member's dues are six (6) months in arrears, membership shall be terminated.

Section 11. Guests. Proposed addition--The number of complimentary guests accompanying the member must not exceed the number of complimentary memberships the member receives per their level of membership, annually (individual, family, plus one, corporate, etc.).