

Minutes of Museum of Bus Transportation Board of Directors Meeting and Planning Session

8 AM March 10, 2018
AACA Museum Board Room

Board Members In attendance either in person or on conference call:

Mike Laffan
Doug Campbell
John Dockendorf
Dino Mandros
Dave Millhouser
Howard Nice
David Schmidt
Mark Szyperski
Angel Tollens
Ed Wolf
Tom Collins (telephone)
John Oakman (live texted vote on Wotring resolution)
Ed Lacey (non-voting member)

Advisers In attendance either in person or on conference call:

Ken McNelis
Michael Burshtin
Walter Earl
Ralph Fetrow
Becky Tollens
Mark Watson
Bob Smith

Meeting was called to order at 8:00 AM by Chairman Dave Schmidt. Secretary Dave Millhouser took roll, declared that we had both a quorum and a super-majority in attendance.

Chairman Schmidt introduced a resolution prepared in conjunction with our Attorney Andrew Barbin.

Removal of Charles Wotring as a member. Following consultation with outside counsel Mr. Barbin and Board Members involved in the original resolution and vote to remove Mr. Wotring as a Member, a new Resolution confirming the prior events, adopting the summary of the events received from counsel and the prior Secretary, ratifying and independently determining that removal was and remains necessary and proper, it was duly moved, seconded and passed with the required majority to confirm the remove Mr. Wotring. The action was taken to address and lay to rest any and all concerns raised by the former member regarding the corporate record of the prior Board action.

A copy of the resolution has been attached to the minutes and entered in the corporate records. The prior action had been left out of the Minutes despite motion, second and required vote, because it was deemed analogous to a confidential personnel matter and there was a desire not to publicize the information unduly in light of the removed individual's prior positive involvement and contributions.

However, in light of an expression of concern by the individual that it was not included in the minutes and available corporate records, the current action was taken in a manner which unequivocally confirms, ratifies and independently takes the same action in a public manner to be included in the Minutes and the corporate records available to the membership and otherwise available in appropriate circumstances for appropriate purposes. A copy of the duly moved, seconded and approved resolution has also been provided to the affected former member.

Tom Collins moved that the Board pass the resolution, Mark Szyperski seconded, and it was passed unanimously (12 positive, no nays or abstentions).

Because Mr. Wotring hinted at litigation, Dave Millhouser suggested that Board Members and Advisers have no contact with him on anything related to MBT.

Secretary's Report Dave Millhouser moved that the minutes of the January 16 2018 meeting be accepted, Doug Campbell seconded, Board approved. He also reported that all telephone and email messages to MBT have been responded to within one business day. He is making an effort to clean up the MBT office, and asked that all personal items be removed before Spring Fling.

AACA Museum Report Jeff Bliemeister is on vacation, so there was no report.

Treasurers Report Ed Wolf indicated that once final numbers were in for 2017, we came within \$1,700 of breaking even... our best performance ever. Ed and Vickie will be bowing out as Treasurer, and the Board and Advisers gave them a round of applause for their many years of faithful service.

Dino Mandros moved that we accept Treasurers Report, Angel Tollens seconded, and motion passed unanimously

Ed indicated that we currently have more money in cash than we are budgeted to spend, and he and Ralph Fetrow will look into investing it.

Chairman's Report Dave Schmidt pointed out that we were well represented at UMA, ABA and several regional meetings. Mark Szyperski has collected contact info, and we have picked up some memberships.

We got a communication from the AACA Museum referencing some concerns they have. Most, like detailing our buses prior to their hosting the National Association of Automotive Museums Conference April 9-12, and replacing the bus on the pad in front of the Museum are either resolved, or will be prior to the event. They asked for MBT docents to be on the floor whenever the Museum is open, which is very difficult for MBT... but we did agree to have docents during the Conference, and to make an effort to either provide more, or train AACA Museum people in the future.

We are looking into finding other sources of Directors insurance, as an alternative to our current affiliation with AACAA... perhaps through the AACAA Museum.

Curators Report Bob Smith and Angel Tollens

Bob indicated that we are working with AACAA Museum to bring the Martz bus up to entry area. We are considering re-arranging displays to open up floor space a bit, and we would like to improve lighting on timeline.

Bob also pointed out that there are apparently only 4 Fageol buses in existence... and we have two of them.

We are working on a plaque commemorating the founders of the MBT.

Angel Tollens reported that the February 17 joint meeting between Curators and Fleet Committee went well, and that they have a clearer idea of how to work together on displays etc.

We are going to take steps to improve signage on displays.

Gift Shop John Dockendorf reported that our income is off \$211 compared to this time last year, but that was probably attributable to the AACAA Museum's being closed as they prepare for the April 9 event.

Fleet Committee John Oakman was traveling, only able to briefly text his vote on Wotring motion, but no additional report. Ken McNelis thanked Executive Coach and Matt Herr in particular for their help in repairing the Gump Bus.

Events Committee Becky Tollens reported that we have already sold 24 vendor tables for Spring Fling, and that nearby hotels are nearly booked.

The Fling will be a Trailways theme.

We will be making 4 awards this year... Longest distance, best Historic bus, Conversion Coach and School Bus.

We have added a VIP package, and we have rescheduled the parade until later in the day, to benefit our vendors.

Angel Tollens has offered to donate a large MC9 model to raffle, and asked that MBT give him Adopt-a-bus status for the Golden Eagle in return (the model is valued at \$800). Dino Mandros moved that we do that, Howard Nice seconded, and Board approved.

Bernhard Bus Parts and Service offered to do a bus parts auction at Fling, with proceeds going to MBT. Angel Tollens moved that we accept the offer, Dino Mandros seconded and Board approved.

Planning has started for Annual Meeting, and there is a conflict with AACA Museum schedule re the room we need. Howard Nice moved, and Doug Campbell seconded, that we re-schedule our meeting to November 3rd in order to get space we need. Board approved.

Mark Szyperski suggested we ask the Director of the Freedom Riders Park (Mr. Pete Conroy) to speak at our meeting about the bus industries involvement in the Civil Rights struggle. Dino Mandros moved, and Angel Tollens seconded a motion that Mark approach them, and that we pay expenses associated with travel. Board approved.

Marketing Committee Presented by Mark Szyperski

The Museum was represented at the United Motorcoach Association as well as the American Bus Association National Meetings.

- a. Free Booth Space donated by each organization
- b. A great stack of cards for the "Friends of the Museum" for future Contact

The AACA Museum is attending PA and Maryland Bus Association meetings in our booth.

Newsletter was bulk mailed 2 weeks ago. By now, most should have printed copy. We have extra print copies here at the Museum for anyone who needs one as well as extra for us to use at future shows.

- c. Getting quotes from other printers just to make sure we have best pricing on print costs
- d. We did a video "overview" of the Bus Musings, which was placed on our Facebook page as well as the Website. Was then shared to 20 bus driver related groups. We did pick up more "likes" when it was posted. Mark showed the 1 minute video for the group
- e. Facebook "likes" are still continuing to grow, which allows us to post more targeted information.
- f. Mark checked to see if anyone who gets the mailed copy has received theirs? His has not yet gotten to Nashville

Press Releases for Spring Fling will be sent out in two weeks for all Bus and Motorcoach related newspapers and magazines.

Website has been updated with all of the information about Spring Fling. The Annual meeting information has been "filed" in it's own section with pictures

- g. There is not a fee based on materials that are on the site. Because of that, we have the ability to store a lot of research, reference and educational materials.
- h. Mark walked through some of the changes on the website

Internships have been posted at two local colleges. One is a community college; one is the local branch for Penn State University. No responses yet, but last week was midterm exams, and this week is Spring Break. Mark was told that none of the students were probably looking for jobs yet. However, once they

get back next week, more will be thinking about the end of the school year, and will start to see what is out there.

Howard Nice moved, and Mike Laffan seconded a motion to pay an intern comparable to what AACAA Museum pays theirs, for no more than 20 hours/week. This would be a 1099 position. Board approved

Mark asked for Board approval to print more membership brochures and post-it notes at a maximum cost of \$700. Angel Tollens moved, and Doug Campbell seconded, Board approved.

Donations Committee Dino Mandros reported no donations.

Industry Relations Committee John Oakman was traveling, so no report.

Old Business Ed Wolf submitted a proposal on behalf of the Finance Committee:

“Any proposed MBT Expense that exceeds \$500, and is part of an annual ongoing program that is included in the approved budget for the applicable year, must be pre-approved by the Treasurer before the planned cost is actually incurred.

Any proposed MBT expense that exceeds \$500, and is not part of an ongoing program that is included in the approved budget for the applicable year, must be pre-approved by the Executive Committee before the proposed cost is actually incurred.

If a member is uncertain as to whether any proposed MBT expense exceeds \$500, it needs to be pre-approved by the Treasurer or the Executive Committee. The member is expected to consult the Treasurer for his determination before the proposed cost is actually incurred.”

Ed Wolf moved that it become our policy, Doug Campbell seconded, and Board approved.

New Business Ed Wolf presented proposed budget for 2018 Angel Tollens moved that we accept, John Dockendorf seconded and Board approved.

Dave Schmidt introduced a new set of membership levels, and after discussion and some minor alterations, Angel Tollens moved, and Mike Laffan seconded a motion that we adopt this structure, and Board approved.

Corporate (Company only, one member voting total, must provide voting names each year when dues are submitted) \$250.00/year

State Association (One voting Member, must provide voting names) \$250.00/year

Lifetime Membership (Individual member only, 1 vote) \$600/one time

Regular Member (1 vote) \$50/ per year

Military Active and Veteran Membership Rate (1 vote, all benefits) \$45/ per year

Youth Membership (up to age 24, no votes, electronic newsletter)

\$10/ Per Year

Dave Schmidt did a presentation on the responsibilities of members of the Board of Directors. He used the AACA Museums document as a foundation, but they apply to MBT Board Members with a very few exceptions. They are included in these Minutes at the end. (*)

Mark Szyperski presented a proposed Mission Statement for the Museum

“The Museum of Bus Transportation is an organization dedicated to enhancing Public Awareness and Education of the History of the Bus Industry and its important contribution to the growth and development of the nation.”

Mark Szyperski moved and Angel Tollens seconded that we adopt it. Board approved.

Mark Szyperski then presented a proposed Vision Statement, and after discussion and adjustments he moved (Howard Nice seconded) that we adopt:

“The Museum of Bus Transportation aspires to become the nations premier bus museum dedicated to preserving, and publicly displaying buses of historical significance. Our desire is to create an Educational Resource Center which will include the complete time-line of the industry and the sponsorship of bus-related events and activities.”

The Board voted to approve.

The Board discussed the following goals for the Museum:

Continue to establish a world-class museum, to preserve, educate and publically display buses and memorabilia of historical significance

Locate a suitable facility with enough indoor storage space to protect our fleet of historic buses and additional memorabilia that are not currently on display at the Museum.

Sponsor and participate in as many bus-related events and activities as possible as an educational and marketing outreach for The Museum of Bus Transportation.

Establish a library and archives to preserve and protect as many bus documents and material of historic significance in order to make these materials available to the public for research projects and educational experiences. A process of creating this library will be to digitize documents and create an online program for storage.

Establish partnerships with other museums, like organizations and research centers to enhance the educational goals of the Museum.

Utilizing as many forms of electronic media as possible including the continual upgrade of the website, establishment of a blog and continuous Facebook updates. To use all forms of electronic media to promote The Museum of Bus Transportation and to provide up-to-date information on important Museum events and activities.

To create The Museum of Bus Transportation program to honor and recognize individuals, families and organizations that have made significant contributions to the growth of the Bus Industry

To create The Museum of Bus Transportation program to honor and recognize those who have made significant contributions to the growth and operation of the Museum.

To enhance the Museum's endowment fund to annually generate revenue to pay for the Museum's facilities and activities. This will be accomplished through advertising and sponsorship opportunities, education of members to include The Museum of Bus Transportation in their wills, through Capital and Specific Campaigns and dedicated Grant Writing Requests.

Increase membership consistently to include all age groups, corporations and organizations with an interest in the bus industry to educate them on The Museum of Bus Transportation.

Prepare and distribute a quarterly self-sustaining educational newsletter of magazine quality to keep members and prospective members informed about the Museum's activities and other important bus-related events and activities.-

Angel Tollens moved that we accept these as the Museum's goals, Doug Campbell seconded, and Board approved.

The Board then voted to adopt the following Strategic Plans:

Year 1 (2018) Moved by Angel Tollens, seconded by Dino Mandros

- Achieve A Balanced Budget in FY 2018
- Establish a Museum and Bus Industry Hall of Fame
- Recruit Talent to the Board Advisors; looking towards building an active and diverse MBT Board of Directors.
- Plan and execute at least one (1) themed special exhibit in the Museum bus gallery
- Create a Fundraising packet for approaching Corporations and Foundations

Year 3 (2020) Moved by Angel Tollens, seconded by Dino Mandros

- Continue to achieve A Balanced Budget Year after Year
- Build our endowment and seek out grants for the growth of our Museum
- Work to continue and renew the partnership with the AACA Museum
- Secure inside storage for our historic fleet of vehicles
- Execute two (2) themed Special Exhibits yearly in the Museum Bus Gallery
- A diverse and active MBT Board and Advisors.

Loan our exhibits to other Museums for inside display

Year 5 (2022) Moved by Angel Tollens Seconded by Doug Campbell

Stable and Growing Financial resources to support the Museum

Finalize the Museum lease with the AACA Museum for the years to come

Our dreams for the Museum:

Expand to cooperatively accept other Museum's exhibits to show in our Museum location

Mark Szyperski moved that we accept the donation by Transbridge Lines of an MCI G4100 (subject to MBT's normal conditions). Ed Wolf seconded and Board Approved

Mike Laffan offered, on behalf of ABC to donate a Van Hool T815 (which was one of the earliest European coaches in US Market). Mark Szyperski moved that we accept it (subject to MBT's normal conditions) Angel Tollens seconded and Board approved.

Meeting adjourned 3 PM

* AACA MUSEUM, INC.

Duties of Board Members

November 18, 2017

1. It is a primary obligation of Board members to serve the best interests of the organization as a whole:

a. Be willing to be a public advocate for the organization.

b. Be willing to use your professional/personal status to defend the integrity of the organization in times of crisis or controversy.

c. Support the majority action – even if you disagree:

- i. This is not to say that you should not strongly advocate your position within the confines of the board room – but once a decision is made, you should support it (or resign, if necessary).
- ii. Board meeting debates must remain confidential, and controversial issues must not be discussed with third parties – what goes on at the meeting stays at the meeting.
- iii. If you are on the boards of several different organizations, do not discuss what has gone on at other board meetings.

d. If you are not the Board Chair, do not agree to speak to the media or the public on behalf of the organization unless cleared by the CEO and/or Chair.

e. But at the same time, recognize that if you say anything that relates to the business of the organization, you will be perceived to be speaking for the organization and/or the Board.

2. Recognize that the Board, and not any individual member of the Board, has legal standing and authority.

a. Operate through your position on the Board, and do not be a renegade Board member.

b. If an individual Board member receives outside complaints – refer to the CEO or Board Chair.

3. Core Fiduciary Duties: Understanding the Duty of Care.

a. Under 15 Pa. C.S.A § 5712: "A director of a nonprofit corporation shall stand in a fiduciary relation to the corporation and shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances."

i. Good faith means being honest, open and fair.

ii. Acting in the best interests of the organization means that the organization comes first!

iii. A person of ordinary prudence engages in informed decision making, attends meetings, reviews data and information, requests additional information as needed; makes reasonable inquiries, exercises practical judgment and uses common sense.

iv. Under similar circumstances means that the unique nature of the organization must be taken into account as well as the Board member's individual background and expertise.

b. Under PA law, in performing your duties, you are entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by any of the following:

i. Officers or employees of the organization whom you reasonably believe to be reliable and competent in the matters presented.

- ii. Counsel, public accountants or other persons as to matters that you reasonably believe to be within the professional or expert competence of that person.
- iii. A committee of the board upon which you do not serve, duly designated in accordance with law, as to matters within its designated authority, which committee you reasonably believe to merit confidence.
 - c. However, you are not considered to be acting in good faith if you have knowledge concerning the matter in question that would cause your reliance to be unwarranted.
 - i. For example, knowledge that information supplied to or by "experts" is inaccurate.
 - ii. Awareness of the existence of a conflict of interest.
 - d. There is a presumption in PA law that, absent breach of fiduciary duty, or lack of good faith or self-dealing, any act of the board, a committee of the board or an individual member shall be presumed to be in the best interests of the organization.

4. Core Fiduciary Duties: Understanding the Duty of Loyalty.

- a. Board members and senior management must always perform their duties in good faith with the best interests of the organization in mind. This means that they must not seek to derive private gain from business transactions that involve the organization or advance their own interests at the expense of the organization.
- b. Acts of self-dealing constitute a breach of fiduciary duty which may result in personal liability to the organization, and Board members and senior management should avoid conflicts of interest and even the appearance of impropriety. The Form 990 at Part VI Line 12 asks whether the nonprofit organization has a conflict of interest policy and whether it is enforced on a regular basis.
- c. Individuals who take advantage of corporate opportunities to make profits for themselves at the expense of the organization may be liable for the profits they received at the organization's expense. See IRC § 4958 – Taxes on Excess Benefit Transactions.
- d. The Duty of Loyalty includes a duty of confidentiality, and breaching confidentiality, whether a confidentiality policy exists or not, is a breach of a Board member's fiduciary duty to the organization.
- e. Breaching confidentiality at the least is grounds for dismissal from the Board, and could cause the Board member to be personally liable for any damage to the organization.
- f. Normally Board members are not personally liable for monetary damages for any action taken, but under 15 Pa. C.S.A. § 5713, a Board member can be personally liable if the Board member has breached or failed to perform his or her duties as a Board member and the breach or failure constitutes self-dealing, willful or intentional misconduct or recklessness.

5. Major Duties of Board of Directors.

a. Provide continuity for the organization by assisting with fund raising, and to represent the organization's point of view through advocacy for its products and services.

b. Select and appoint a chief executive to whom responsibility for the administration of the organization is delegated, including:

i. to review and evaluate his/her performance regularly on the basis of a specific job description, including executive relations with the board, leadership in the organization, in product/service/program planning and implementation, and in management of the organization and its personnel.

ii. to offer administrative guidance and determine whether to retain or dismiss the executive.

c. Govern the organization by broad policies and objectives, formulated and agreed upon by the chief executive and employees, including to assign priorities and ensure the organization's capacity to carry out products/services/programs by continually reviewing its work.

d. Acquire sufficient resources for the organization's operations and to finance the products/services/programs adequately.

e. Account to the public for the products and services of the organization and expenditures of its funds, including:

i. to provide for fiscal accountability, approve the budget, and formulate policies related to contracts from public or private resources.

ii. to accept responsibility for all conditions and policies attached to new, innovative, or experimental products/services/programs.

6. Rights of Board Members.

a. Board members have the right to receive all information that is necessary and relevant to assist them in performing their duties.

b. Board members have the right to call special meetings by submitting written requests and once requested, a meeting must be held within the sixty (60) days following the organization's receipt of the written request.

c. Board members may bring court actions to contest activities that affect their rights and duties.

d. Board members have the right to disagree with actions taken at meetings and may ask to have their disagreement noted in the minutes of the meeting at which the action was taken. Otherwise, they may submit a written dissent to the secretary of the corporation immediately following the meeting. However, Board members may not dissent if they voted in favor of the action that was taken. It is important to note that Board members who fail to note their dissent either in writing or in the minutes will be assumed to have assented to the Board's action.

7. Basic Document Review. Many Boards will provide a Board book or even a live or web-based orientation for new directors. Some of these books and trainings are complete and others are not. Either before or just after your first meeting as a director, you should request and review at least the following materials:

- a. Articles of Incorporation, including all amendments.
- b. Current Bylaws.
- c. A list of current directors and officers, indicating when their terms expire.
- d. A list or chart of staff positions and duties, with the salaries of the highest paid employees.
- e. Any director and officer liability insurance policy and a summary of other insurance coverage for the organization.
- f. Tax returns: Form 990, and any Form 990-T (for unrelated trade or business income) for the past two years.
- g. Two years' worth of audited financial statements (if any), or unaudited statements if there have been no audits, along with a current financial statement and balance sheet.
- h. Any mission statements that are not part of the Bylaws.
- i. The organization's website and any printed literature that is regularly handed out to donors or clients of the organization.
- j. Conflict of interest policies for Board members and officers.
- k. Other major policies, such as a whistleblower policy, a document retention policy, a gift acceptance policy, endowment policies, and a joint venture policy some or all of these may or may not exist.
- l. A list of Board committees and advisory committees.

8. Understanding the Organization.

- a. Under the Bylaws, how is the Board elected or appointed (e.g., by members, by the Board itself, or by some appointing or designating body)? How long is your term? Is there a term limit? Are the Board list and what you know about the organization's Board meetings consistent with the Bylaws?
- b. How are the officers elected or appointed and how often? Is the actual practice of electing officers consistent with the Bylaws?
- c. What committees have the authority to act on behalf of the Board between Board meetings (e.g., an Executive Committee)? What committees have purely advisory power? How are committees elected or appointed? Will you expected or able to serve on a committee at some point?
- d. What is the employment arrangement of the two or three highest level employees? Do they have contracts? Are they at will? How much are they paid? Normally salary information is on the tax return and financial statements.

e. How often does the Board meet and where are the meetings? Ask yourself if you will be able to actively participate in these meetings or whether you have a time conflict.

f. Look at the Conflict of Interest Policy in particular; identify and ask about any conflicts that you think you might have.

g. If the organization is affiliated with other organizations make sure you understand the legal relationship between them. Does the organization have subsidiaries, either for-profit, non-profit, or both? If so, what is your direct or indirect responsibility to those organizations? Is the organization a subsidiary or affiliate of some larger state or national organization? If so, what is the relationship?

h. Does the organization have an audit committee? If so, how is it configured and what is its charge?

i. Is the organization tax-exempt under Section 501(c)(3)? If not, is it tax-exempt under some other IRC section?

j. If the organization is a 501(c)(3), is it a public charity or a private foundation? If it is a public charity, what category of public charity is it, and how does it meet that test?

k. Does the organization report unrelated business income? If so, do you understand why?

l. Does the organization engage in lobbying? If so, has it filed a Section 501(h) lobbying election, and how is it complying with Section 501(h)?

m. Do you see anything on the website, the financial statements, the tax returns, or elsewhere that raises issues around potential conflicts of interest between any Board members and the organization?

n. Do you see anything else on the website or in operations that may be inconsistent with the organization's tax-exempt status?

o. Is the organization registered with, and properly reporting to, the Pennsylvania Bureau of Charitable Organizations?

For further information, an excellent resource is the PA Office of the Attorney General publication "Handbook for Charitable Nonprofit Organizations," which can be found at <https://www.attorneygeneral.gov/uploadedFiles/MainSite/Content/Consumers/Charities/nonprofitbooklet.pdf>