

Historic Bath Foundation
June 11, 2010 Annual General Membership Meeting Minutes

HBF Board of Directors Present: Pat Axness, Surry Everett, Jay Hardin, Betty Pruitt, Gene Roberts, Karen Sayer, Joe Waldrop Ex-officio Directors: Jimmy Latham (left early), Bill Pruitt, Leigh Swain.

The chairman opened by explaining the meeting process is fluid since there has never been a fixed set of rules established in the past for conducting meetings. He shared that a question arose from a member after last year's meeting regarding a quorum and that is why we are establishing processes. He asked Steve Persche to assist the secretary with the counting process. Steve agreed. He explained the board of directors decided one vote per household/family will be allowed. I'll entertain a motion to accept proposed rules to conduct the meeting. Motioned by Sandra Harrison. Second Susan Modlin. Any discussion. Jay requested dispensing with the vote if there was no one in opposition. The chairman asked for present and proxy members opposed. **None opposed. Motion passed by the membership.** The chairman asked for a motion to adopt the agenda. Ed Clement motioned. Marty Buchanan Second. Any discussion. The chairman asked for a vote. **None opposed. Motion passed by the membership.** The chairman introduced board members and roles. The chairman verified we have 126 proxy votes and 24 members present in the audience plus members of the board of directors. In addition, it was further clarified who would vote for the household if more than one member of the household was present. The chairman announced we have a quorum. **None opposed.** The chairman entertained a motion to dispense with reading of minutes which have been distributed. Jimmy Edwards motioned. Gregg Henry Second. Any discussion. A member requested for the minutes to be read. The chairman entertained a motion to accept minutes as read. Sandra Harrison motioned. Nelda Ormond Second. Any discussion. **None opposed. Motion passed by the membership.** The chairman indicated that Mayor Latham needs to leave early. Is there anyone opposed to changing the agenda to allow him to make his presentation now. **None opposed.**

Town of Bath: Mayor Jimmy Latham shared that the Town Council is working on expanding the waste water system and has made some progress. We are on track and have received some grants. Also, the council has approved the final plat for transferring ownership of the high school property to BHSP and it is now in the hands of the lawyers. The town hosted a fund raising event and symposium for the Lawson Walk recently and around 70 people attended. He apologized for needing to leave early.

Membership Chairperson: Pat Axness indicated membership this year is up by 23 members which includes a new contribution from Potash.

Small Grants: Chairman Betty Pruitt shared information regarding the two applications which were received and both were awarded by majority vote of the Board as follows: Historic Bath State Historic Site \$1010 and Bath High School \$2500.

Museum Concept Committee: Chairman Gene Roberts shared a slide presentation of artifacts that might be available for a Bath- Pamlico Museum. We asked no one to donate at this point and all said certain conditions would need to be met before they would consider donating or bequeathing their items to a museum. The items I saw convinced me that there is an astounding number of artifacts in the Bath area. It would be possible to assemble an impressive permanent display on the history of Bath and Pamlico region. One of the big questions we have is what will be the scope of the Bath Museum. Another important aspect is the shaping of an acquisition document. Collectors have indicated they will need assurances in writing that their gifts will remain in Bath and not be subject for sale by the state or a local care taking organization. The list of artifacts is growing and we hear almost every week of those who have items which we still need to catalogue and there is sure to be others as the word of a museum spreads.

Bath High School: The chairman gave a brief history regarding last year's proposal from members Ed Clement and Josie Hookway's where they requested the board of directors to consider providing a large sum of money to BHSP in hopes of paying down their debt and also negotiating with the town to forgive the balance. I sent a letter to BHSP expressing the board of director's offer. The BHSP board of directors expressed appreciation and asked if they could obtain title of the building first and then carry on negotiations. We also met with the Town Administrator who told us he would convey this to the Town Council. Nothing further has been done at this time other than what I have conveyed. Further discussion on this topic will come under New Business.

Edmund Harding /BHS presentation: Peggy Daw from BHSP gave a presentation about Edmund Harding's influence on Bath and correlated it with the opportunity of present day events. Peggy shared a timeline of preservation events and how Edmund Harding's comprehensive approach enabled him to get so much done in the way of preserving structures. Some have ask me why I formed BHSP. I do believe other entities were in better positions to take action but there were myths that we needed to dispel. We have proven the building is worthy by having it individually listed and by having a professional engineer report done. One of the most important things for us to realize now is that we all have similar Missions. The BHS Feasibility study is a timeless plan and gives our organizations an opportunity to look at the big picture and to combine our resources in making Bath a showplace like Edmund Harding envisioned. Peggy expressed appreciation to HBF for grants received which allowed the BHS exterior restoration project to move forward.

Nominating Committee:

The chairman suggested we delay the committee report until just ahead of Election of Directors which is further down on the agenda. I do want you to realize it is a change in the agenda. **None opposed.**

Report of Officers:

Joe Waldrop gave the Treasurer's report as follows: Cash in 2009 increased to \$287,636 and that was driven by three things: temporary contribution return from DCR of \$15,625, fund raising funds for Lawson Walk of \$3,280 and remaining \$12,293 is increase to operating income. At the end of 2009 we had restricted assets for a Museum of \$106,851 and the \$15,625 DCR Museum project funds. We have a total of \$7,160 in restricted funds for Lawson Walk and a total of \$155,800 in unrestricted funds. General operating income was budgeted to exceed expenses by \$2900, the actual income exceeded expenses by \$12,293. This was primarily driven by the following general operating budget deviations: Unfavorable deviation in membership contributions of \$5,793, Favorable deviation in investment income of \$1,710, Favorable grant deviation of \$8,333, Favorable membership expenses of \$3,652 primarily due to cancelling reception budgeted for \$3,500, Favorable deviation of all other expenses of \$1,491, Net favorable budget deviation of \$9,393. The balance sheet as of the end of May has an increase of total cash by \$15,543 to \$303,180. As there was no museum or special project activity to date, the general operating income and expense is the total income and expense activity for the first five months of the year. In contrast, the budget is for the entire calendar year of twelve months. Budgeted membership contributions of \$15,000 have already been achieved. Unbudgeted memorial contributions of \$1,380 have also been received. Much of the budgeted membership expenses have been spent, whereas other expenses have been small to date other than the paying of one of the approved grants. Members questioned the outstanding liability and Memorial contributions. Joe said the liability is from the Tricentennial Celebration and the contributions are in honor of Wayne Tankard. The Chairman asked for a motion to approve Treasurer's report. Star Credle motioned. Second received. Any discussion. **None opposed. Motion passed by the membership.**

Historic Bath Commission: Chairman Bill Pruitt gave a presentation expressing to members how appreciative the Commission is of our relationship with the Foundation. We thank you for all the good things you have done for us by granting funds. Our groups have a close connection as stated in your bylaws and we are very much appreciative. You are a highly effective group and hopefully we will have a

long continuous relationship.

Historic Bath State Historic Site: Site Manager Leigh Swain gave a presentation saying that the 2009-2010 season was busy and productive. Historic Sites is reducing the repairs budget by one third which is substantial but positive things are happening. I hope you like the new visitor center entrance sign. Another highlight from last year was when Bea Latham made a presentation in Raleigh at the Lawson Symposium. Building maintenance continues but we did lose the Department of Corrections workforce and now the 14 acres will be tended by one person. I had a small vision to replace the six boxwood in front of the Bonner House and the Commission assisted by forming a Beautification and Landscape Committee chaired by Blanche Monroe. We have made progress there with the help of a lot of volunteers. We were able through the Foundation's small grant of \$1010 to pay for re-sodding, the arch and the roses. We appreciate the intentional partnership that was formed when the Foundation was created and we thank you. Karen asked about future projects and if they will be funded by the state. Is there any way we can assist with pulling together some sort of volunteer campaign. Leigh said this is something we can talk about.

Old Business:

The chairman inquired if there was any old business to review. **None offered.**

New Business:

Amending the Bylaws: The chairman explained that part of the process in amending our bylaws is to also amend the Articles of Incorporation. The Articles of Incorporation currently state the board of directors will have (7) seven members and so if we want to increase to (9) nine directors we need to change the Articles of Incorporation also. There has been some concern about effecting our 501(c)3 status. I consulted with legal authority for advice on the proper way to move through the process. First we vote to amend the articles and then we vote to amend the bylaws. If the amended bylaws were to change anything in the current articles, the bylaws would be changed provisionally pending the approval of the articles by the Secretary of State. We would also write a letter to the IRS asking for a determination that our status would not be in jeopardy. The reason this is required is because the articles state that we have (7) seven directors and if we want to add (2) two more we've got to change them. The current bylaws and proposed bylaws were posted on the website which some may not have the opportunity to read. That is why there are copies here of each. The chairman allowed extensive time and interaction amongst the members regarding questions, concerns and comments such as: why do we need to increase the board of directors, will this change jeopardize our 501(c)3, will the change in ratio effect the power of the Commission, why do Commission appointees need to be affirmed by the membership, should HBF give money to other historic properties and needs within the town other than the Commission and historic site, will the intent and purpose of the organization be changed, can we obtain IRS permission first before changing our status, members do not have a say in who is a Commission member and so therefore 2/3 of the board of directors should be elected by the membership since they provide the funding, the Commission has never attempted to influence the board of director's decisions, will intent of the organization to pull money together for the purpose of a museum be changed. Further discussion included fine tuning the proxy process, clarifying roles of directors, and adding volunteers. The chairman commented on any changes being made would be provisional based on response of the Secretary of State and IRS. The chairman explained that we have some of the same purpose and we aid and assist the Commission but we are not the Commission. The chairman explained that the Commission appointees on our board are there at the pleasure of the Foundation membership. He said there is no reason to believe the IRS would change our 501(c) 3 status. Even if there were, you can't go in and say if we change our bylaws will you give us a 501(c) 3. They don't do it that way. You have to submit what you have first. There is no advanced ruling. A concern was raised about the museum and where it would be located. The chairman clarified that we are not voting on that issue. Another member commented that the bylaws state our mission is to preserve the historic aspects of Bath and this includes all of Bath and not just the historic site and Commission. The Chairman shared that we all have common goals and we are going in

the same general direction. Are there any other comments. **None offered.**

The chairman entertained a motion to amend the Articles of Incorporation as follows: move that Article 5 of the Articles of Incorporation be amended to read the corporation shall have nine (9) directors and they shall be elected as follows: six (6) by the membership and three (3) members shall be appointed by the Historic Bath Commission. In addition, there will be three (3) ex-officio directors holding the following positions: Chairman of Historic Bath Commission, Mayor, Town of Bath, Manager of the Historic Bath State Historic Site. Motion by Gregg Henry. Second by Sandra Harrison. The chairman asked for discussion. Betty Pruitt motioned to table the motion. Second by Blanche Monroe. Any discussion. None. The chairman explained that we are now going to vote on the motion to table and if it doesn't pass we will go back to the original motion. Any discussion. Some inquired as to the percentage of membership represented. The chairman explained that we have an overwhelming quorum which exceeds any requirements of our bylaws. Is there anyone here who doubts we have a quorum. None offered. The chairman asked for a count for tabling the motion. **Motion to table is not approved by the membership.** The chairman took questions from the membership. The original motion will now be voted on. Any discussion. A member asked if there will be a change in the number of members the Commission will appoint. The chairman answered no. The chairman called for a vote on changing our Articles of Incorporation. **Motion passed by the membership.** The chairman explained that we will send a form to the Secretary of State for approval.

The chairman asked for a motion to amend the bylaws as submitted with the exception of paragraph 4 and 11 of Article 7. They will be considered separately since the board of directors was not in full agreement about these two items. Susan Modlin motioned. Second by Star Credle. Any discussion. The chairman gave further explanation of the bylaw changes. Susan Modlin asked if the chairman would allow one correction. He recognized this as a friendly amendment of Susan's original motion. Susan asked for "shall be" to be struck from Page 1 Article 2 paragraph 4. Star Credle Second. **Motion passed by the membership.**

The chairman motioned to adopt either the 1st option or 2nd option for amending paragraph 4. The first option reads that the corporation shall have nine (9) directors, who shall be elected as follows: six (6) members shall be elected by the membership and three (3) members shall be selected by the Historic Bath Commission. Here is where we can make a friendly amendment, to take their seat only after confirmation of the Historic Bath Foundation general membership. In addition, the corporation shall have as ex-officio, non-voting members of the board of directors, those persons holding the following positions: a. Chairman of the Historic Bath Commission. b. Mayor of the Town of Bath. c. Site Manager of the Historic Bath State Historic Site. Second option reads that the corporation shall have nine (9) directors, who shall be elected as follows: five (5) members shall be elected by the membership and four (4) members shall be selected by the Historic Bath Commission. Here is where we can make a friendly amendment, to take their seat only after confirmation of the Historic Bath Foundation general membership. In addition, the corporation shall have as ex-officio, non-voting members of the board of directors, those persons holding the following positions: a. Chairman of the Historic Bath Commission. b. Mayor of the Town of Bath. c. Site Manager of the Historic Bath State Historic Site.

The chairman motioned to make a friendly amendment to option 1 regarding the Commission members being appointed instead of selected and eliminating the clause that Commission members will take their seats only after confirmation of the Historic Bath Foundation general membership. Second by Susan Modlin. Discussion included clarification by the chairman that new board positions would be provisional until after receiving notice from the Secretary of State of the amendment to the Articles of Incorporation being approved. The chairman clarified questions regarding conflict of option 2 with the newly adopted articles. He explained that if we do not ratify the earlier articles with this vote then we will go back and re-visit the articles. There is a motion on the floor is to approve the 1st option with the friendly amendment. **Motion passed by the membership.**

The chairman explained next is Article Seven, paragraph 11. Our current bylaws are written which specifically state that if a vacancy occurs the remaining board of directors will select someone to fill that term. Some board members felt if it was a Commission member's unexpired term then the Commission should fill that position instead of the HBF board of directors. It would not be for a full term regardless. Susan Modlin motioned to accept option 2 and in addition to strike the last sentence. Joe Clarified that instead of asking for a recommendation you are asking for an appointment. The chairman called for a Second. Second by Claudia Alligood. The chairman clarified the motion is as follows: If a vacancy in the at-large members(elected by the membership) of the board of directors occurs, it shall be filled by a vote of the majority of the remaining members of the board of directors for the balance of the term. If the vacancy is one of the members of the board of directors appointed by the Historic Bath Commission, the Historic Bath Commission will be asked to appoint a replacement for the balance of the term. Each director originally elected in this manner may serve two additional terms. The chairman asked for a vote. None opposed. **Motion passed by the membership.**

Election - Board of Directors:

The chairman explained we will vote in two stages. We will elect directors for the two vacant at-large seats and then we will elect the two provisional directors because they will not be able to take their seat until after we hear from the Secretary of State. Copies of the nominee biographies are on the table. The Nominating Committee Chairman, Karen Sayer, explained the nominating process. The committee was formed this year after realizing no policy or practices had been established to formally accept nominees. The committee met and agreed upon a nominee questionnaire form. We asked all board of directors to provide us with names of possible nominees. The committee also reviewed the membership list and chose persons we thought might be interested in serving. Seven nominee forms were received and the directors received the nominee biographies. The committee met several times and then matched the nominees with perceived needs of the Foundation. Each committee member ranked their choices in secrecy and a mathematical formula was used to calculate the top names. We did this because we didn't know how many seats we needed to fill since the bylaws had yet to be voted on by the membership. Four people were chosen to fill the possible four seats. The qualities we looked for were leadership, capability of accounting for finances, voice of the local community, consensus builder, diversified age-group, and representation from a wide area. The chairman asked for the top two names. The first two nominees: Robin Boyd, Jerry Waters. The chairman asked for other nominations from the floor. Betty Pruitt and Dick Haar were nominated. Susan Modlin motion to close the floor to nominations. Second by Sandra Harrison. None opposed. Betty Pruitt asked to make a statement about her involvement with the Foundation, the tricentennial celebration, and how HBF has been a great asset financially to the Bath community. She expressed being proud of being a part of the group but she does not feel good about direction the Foundation is taking. And it has become too much of a sacrifice on my personal life to keep it on track. I would like to withdraw my name from the nominee list and I hope one day we can all work together and share a common goal. The chairman thanked Betty for her years of service. The chairman asked the directors and the membership how they wanted to manage the vote. Pat Axness commented that she would resign and that would leave three open seats. The chairman expressed he was sorry and wished she wouldn't resign. The chairman proceeded with the vote. Marty Buchanan motioned to accept the three nominees. Second by Star Credle. The chairman asked for a vote. **None opposed. Robin Boyd, Jerry Waters, and Richard Haar were elected as at-large directors by the membership.** The chairman explained that we still need to elect two provisional directors. Karen provided the two additional names in order according to calculation: Richard Haar and Betty Pruitt. The chairman asked for the additional names. Karen indicated next would be Barbara Oliver, Michelle Myers. The floor is open for other nominations. Blanche Monroe was nominated. The chairman clarified these are nominees for the provisional directors. Joe Waldrop motioned to close nominations. None opposed. The chairman proceeded with taking the vote of nominees in alphabetical order. **Barbara Oliver and Blanche Monroe were elected as at-large provisional directors by the membership.** A member made a plea to everyone about all groups coming together to preserve Bath's history. The chairman extended appreciation to all

the people who were willing to be exposed to being voted on and it shows a willingness to help your community. I am very appreciative.

Other New Business:

Does anyone have any new business. None offered. The Chairman read a letter from Josie Hookway which referenced the proposal she and Ed Clement brought before the board regarding assisting BHSP with reducing their debt. Considering the school's central location and the deterioration of the structure, it would benefit all of us and tourists alike to assist BHSP in moving faster with rehabilitation. The structure is on the National Register and is adjacent to the Palmer-Marsh and Van Der Veer Houses. I recommend you give BHSP a one time grant to help pay off any outstanding debts to the sum of \$25,000 or such sum as your board of directors deems appropriate. The chairman expressed that it is not appropriate at this time to give funds. BHSP doesn't own the building yet. What is appropriate is that the board of directors wanted to know the sentiments of the members in allotting large sums of money. We also have another option which is being considered for the visitor center. The chairman shared that the board of directors is free to do what they need to do but we want your thoughts on the matter. Pat said she is not against giving money to the school but I don't think it is in our place to pay down debt of another group. Betty feels she has been misunderstood about saving the school. I would like to see it saved for historic and commercial use if possible. I suggest BHSP fill out the proper small grant form and go through that process. We need to know where they are going with the project. We need to be cautious with how we spend the money. There are other needs in the community such as the Bath Library, the Glebe House, the cemetery near the Quarterdeck, St. Thomas Church and Lawson Walk. Joe Waldrop says he is all for having a museum in Bath and I am for preserving the high school. I would like to see us get over the conflict of where the museum should be placed. The Department of Cultural Resources has stated a position of not being interested in the school and some don't want to accept that. I don't know what we have to do to get to the point of making a final decision of where it will or won't be. It has to be done with the support of DCR wherever it is because we want them to run and manage it. I don't know what we have to do to get the people of State on the same page. If they can find a way for it to be in the high school, I'm all for that. There seems to be a lack of clarity at what is going to happen at the state level. Some are unhappy with their position and there is talk about involving the legislation. If that is going to happen then let's get it behind us and then it will be to easier to plan. Sandra Harrison shared she was recently at a Bath grant workshop and the main focus for us was finding a commonality amongst groups. We need to start talking to each other and if we work together we can get things done. Washington folks are talking about a museum and they have already identified buildings. Our local groups need to come together and talk about what is important to Bath as a whole versus individual needs. Gene Roberts made a motion that we have an expression of sentiment from the members to make a major contribution to the high school. I do not think we are ready yet to decide on a museum site. The school doesn't have the money and the state doesn't have the money. All of that is down the road. Saving the school is here and now. That is the largest building in Historic Bath and if for any reason the school had to be torn down or was put to an improper purpose, it would greatly alter the personality of Bath and change it in a fundamental way. The Mission of the Historic Bath Foundation is to support projects that preserve Bath and this is an important project. And I think we should show support today. Second by Jay Hardin. Any discussion. Blanche Monroe would like see a museums in both the school and visitor center. There is more stuff here than one building can hold. The chairman clarified that we are not voting on a specific sum of money. Leigh Swain says Gene's comments put it in the right perspective. The high school need is here and now and I agree we need to save the school. I get uncomfortable about the conversation of making the state place the museum and visitor center there. Nelda Ormond clarified that BHSP would soon take ownership of the structure. The chairman asked for a vote. **Motion passed by the membership.**

The chairman asked if there was further business. Marti Buchanan shared the purpose of all our mission statements is similar and we should all be on the same page. No other business offered. Motion made to adjourn by June Wallace. Second by Karen Sayer. No further discussion. **Motion passed by the**

membership.

Submitted

Karen Sayer
Secretary

