

Dear Denver Tramway Heritage Society Members:

Happy Fall 2019! We have now finished our 2019 regular season, and we are into our fall football and special events season. Our 2019 season has been one of our best ever, with increases in ridership and income over last year. The football shuttle operation, two games into the regular season, is going great (for the Trolley, not so much for the Broncos, but we remain hopeful).

One of the ways we continue to be successful is that we grow and adapt with the times. The Trolley (with lots of love and care) remains our center, the reason for all of the work we do. As our ridership grows and expands, as the riverfront area changes and opens up, as our partners along the river expand their work — we also are growing, adapting, and expanding.

When the Trolley started running 31 years ago, the purpose was to save key rail sites in the city, and to provide Denver with a working Trolley car and real Trolley experience. A small group of volunteers — some of whom are still working with and supporting the Trolley today — kept the Trolley rolling. Over the years, dedicated volunteers have kept the Trolley rolling through highs and lows, doing the best we all can to keep the organization alive and continue to provide Denver with a wonderful cultural and historical experience. In recent years, because of strong public education efforts and great word-of-mouth, we have had to grow our organization to be able to serve more riders in a more consistent way. Our current operating model, with seasonal staff supporting our volunteer operations, has given us a consistent, dependable, and expanded operation. Our expansion of partnerships and ticket-selling avenues (including selling tickets online through our website and through Groupon) has addressed the various ways many of our riders now seek out activities and purchase tickets.

One area that we must address and bring up to date is our organization's bylaws, and, through the bylaws, our organizational structure. The organization's bylaws were based on a membership model that fit how the organization operated when it was established. While the bylaws have been updated through the years, the organizational structure outlined in the bylaws has not kept pace with the changes in the organization.

We have all worked to focus our efforts, our processes, and our systems on serving the public and keeping the Trolley rolling. The current bylaws, by contrast, put our focus on internal structures that can hinder our efforts rather than support them. For example, the bylaws place stipulations on the organization that require *membership engagement* in ways that do not fit the organization's current membership structure. As a result, in order to keep the organization focused on our mission, the Board of Directors is frequently required to operate the organization outside the parameters of the bylaws.

Over the last three years, the Board of Directors has had the opportunity to participate in pro bono legal clinics, through the DTHS's membership in the Colorado Nonprofit Association. We provided information to lawyers assigned to our organization, and the lawyers conducted a legal audit of the organization. In reviewing the organization's bylaws, the lawyers recommended adopting bylaws that give more flexibility to how the organization is operated.

One of the areas of the bylaws for which we are non-compliant is the process for adding Directors to the Board. The process in our original bylaws includes establishing a nominating committee (with strict parameters), advising the membership of the list of candidates during a specific time frame that

is based on the date of the annual meeting, and conducting an election during the annual meeting (*see Article V Sections 1-4 of the original bylaws*). The bylaws recommended by the lawyers allow the Board to determine the number of directors needed and allow the Board to elect members to the Board of Directors (*see Article III Sections 3.2 and 3.3 of the proposed new bylaws*).

The current bylaws are written in a way that restrictively defines how the organization is operated, requiring volunteer time and effort that is way out of line with what is available and necessary for nonprofit organizations. Our current bylaws are built on an outdated model for nonprofit organizations. The bylaws recommended at the legal audit, and endorsed by the Colorado Nonprofit Association, are less restrictive and more in line with how today's nonprofit organizations are structured and operated. The Denver Tramway Heritage Society's bylaws were last changed in 2012. The organization has evolved and changed over the last seven years, in positive and productive ways. Nonprofit organizations more generally have also changed over this time period — there are many more nonprofit organizations, all vying for volunteers, customers (in our case, riders), and funding.

One way to think about this is that best practice for nonprofit organizations prescribes that the vast majority of the budget is devoted to programs (and a small percentage for administration). We adhere to that, and we have seen funding organizations (including SCFD) focus on that ratio. While our budget and practices weigh in favor of programs, our current bylaws weight our time and effort on processes, administration, and structures that divert attention away from programs. We want to align our bylaws and our structures with our mission and purposes.

It is time for the bylaws to change with the organization, to create a sustainable structure to guide the organization into the future. Therefore, the Board of Directors is putting forth to the membership a proposal to update the organizational bylaws. The proposed bylaws are built on the Colorado Nonprofit Association model, with legal guidance from its lawyers.

We will conduct a vote at our annual meeting, which will be held on Saturday, November 2, at 11 AM at the Forney Museum (more details and an invitation will follow). In advance of the meeting, we want the membership to have a chance to consider this proposal, and view both the current bylaws and the proposed new bylaws. We are posting these documents for the membership to review.

In addition, we are posting a financial report from 2018, and a year-to-year comparison of 2018 to 2019 (up through August 31, 2019, which are the most complete numbers we have at this point). As you will see, our earned income (Trolley rides) is up by more than \$8000 through August 31, and we are almost back from the enormous expense of the motor re-winding of 2018. Looking ahead, this year we have been awarded a grant from SCFD almost \$3000 greater than last year's grant (this year's grant is for \$11,377; the funds will be distributed and deposited in November of this year). This is a great tribute to the work of the organization and all of our volunteers, and the funds will be incredibly helpful in bouncing back from our mechanical expenses. Financially, we are strong and we are resilient.

We will present this information at the annual meeting, but for those members who won't be able to attend or would like some additional time to think about these issues, we are providing information ahead of the meeting. You can find the current bylaws, proposed bylaws, and financial summary at this link on our website:

<http://www.denvertrolley.org/annual-meeting-documents.html>

This information is for members only at this point. Please read through the documents, and share with the Board your questions and feedback. We would love to be able to answer your questions and provide any additional information needed prior to the annual meeting. That way, everyone is informed prior to the membership vote on the proposed bylaws.

If you have questions or feedback to share, please do so as soon as possible and no later than Monday, October 21. Send questions and feedback to the Board at:

DTHSBoard@denvertrolley.org

The Board will then compile all of the questions received, and provide answers to those questions to the full membership by Monday, October 28. Our meeting is the following Saturday, November 2.

If you won't be able to attend the annual meeting, but would like to vote on this proposal, you can vote by written proxy. First, request a ballot from the Board, by writing to the e-mail address above. Then, fill out the ballot and return it to the above address, directed to the attention of the Secretary of the Board, Pete West, no later than 24 hours prior to the annual meeting (i.e., Friday, November 1, at 11 AM). Note that each membership category (e.g., individual, family, etc) is entitled to one vote.

Please let us know if you have any questions on content or process. We are so appreciative of all of your contributions to the success of the organization, and we appreciate your help in keeping the Trolley rolling and sustainable into the future.

We look forward to seeing you on November 2!

Sincerely,

Duck Downs, Member, Board of Directors
Steph Shulman, Treasurer, Board of Directors
Pete West, Secretary, Board of Directors
Ethan Yazzie-Mintz, Chair, Board of Directors