

Feather River Rail Society
Board of Directors Meeting – February 13, 2016 – 1:00 PM
WPRM Meeting Room – Portola, CA

Vice-President Steve Habeck called the meeting to order at 1:05 PM.

The following Directors were present

Eugene Vicknair	Kirk Baer	Charlie Spikes	Steve Habeck
Kerry Cochran (phone)	Wayne Monger	Gail McClure (phone)	Tom Carter (phone)

Attendance

Leisa Wesch	Ethan Doty	Bil Jackson – CMO
Rick Gruninger – Insurance Liaison	David Elems	David Epling – 2016 Election Chair

Correspondence

- *Habeck* – letter he will give to Duane van der Veen thanking him for all material donations this year, totaling about \$1,500 value. UP Historical Society visit during their convention is being discussed with their head person. Expecting 3 busloads, about 150 people. Will do guided tours, caboose train rides, have lunch. Thursday, July 28th from 11 AM to 2 PM.
- *UP Foundation* – We have been awarded \$3,000 grant for Archives Research area.

Consent Calendar

Approval of the minutes of the January 2016 General BOD Meeting.

Motion 02-16-01

Motion to approve the Consent Calendar as presented; January 2016 Minutes.
Cochran / Vicknair. Aye – 7, Nay – 0, Abstain – 1. Motion carries.

Old Business

Part Purchase for Fairbanks – Morse Locomotive

Review costs for motor brushes and other parts.

- Looking at about \$1,500 total to purchase a complete set of brushes. 48 brushes at about \$16 each.
- Looking at joint purchase with Golden Gate Railroad Museum.
- Engine cannot be run until we get some new brushes, leads are burnt off on current brushes.
- Brushes made in Greenville, South Carolina.
- Question about budget availability for purchase.
- Question about upcoming expenses, including gift shop.
- G. McClure recommended that store purchases be done on 60 day terms.
- Discussion about how long work would take and cost to get running.
- Consensus direction to proceed. Cost to come from budget lines Parts and RAL Mechanical.

New Business

Policies and Procedure Updates and Posting

Discuss timeline for updating policies and procedures.

- Written report provided.
- Reviewed that Board has policies and procedures that we have approved and that we need to review every few years.
- Notification for the Board that Director Cochran intends to proceed with reviewing and updating policies, removing expiration dates and replacing with review dates. Asked for input.
- Director Carter expressed approval and expressed desire to have all relevant policies and procedures up on website. Requested that a list be provided to the Board for policies to be posted.

- Suggestion by Director Vicknair to have corrected policies and procedures posted on website in protected area and sent to Board for review and consensus approval for public release.
- Approval expressed for that idea. Board to be given two weeks for review. Unless comments received, page will go live in two weeks.

Create New Signal Department

Rename IT/Internet Operations Department to Signal Department and reconfigure functions.

- Written report provided.
- Proposal to fold Internet, Radio and IT operations into department to be called Signal Department in homage of railroad term for signaling equipment.
- Point of Sale system would remain authority of Museum Store.
- Technical support would be under IT / Signal Department.
- Question if internet will get out to lounge car.
- Question about website expenses and its marketing role. Costs come from a line item under Administration budget area.
- Website will remain under Administration as it is marketing, internet and other mixed areas.
- Director Monger expressed opposition to the concept, feels it muddies the issues and feels retro.
- Director Cochran pointed out that in current railroads the IT department is part of signal department. And this new name falls into 1950s theme of WP organization.
- Majority consensus given to proceed. Vice-President Habeck has authorized creation of department as outlined in final version of report.

Tidewater Southern 735 Locomotive Acquisition

Request consensus approval to pursue acquisition of historic TS locomotive.

- Written report provided.
- Director G. McClure related condition as of 10 years ago.
- Director Carter expressed concern about ownership issue. Noted that ownership is issue between current owners and any relevant agency.
- Confirm with A&K if they cleared up the donation issue and did they drop donation from amended taxes.
- Director Vicknair to relay legal concerns of the Board to Chris Allan. Need to have resolution to legal / ownership issues.
- Director Baer expressed support for Chris to continue looking into it and offered assistance.
- Concern that A&K may want this gone quickly.
- Director Carter has serious concerns about legal issues and feels we should not pursue it.
- Director Habeck feels that we should give Chris consensus to continue research.
- If we give consensus to proceed, the Board will require affirmative resolution of the ownership questions.
- We need more information.
- Consensus given to proceed with investigations.

2016 Repaint / Restoration Plan

Review and approve proposed work plan for 2016 repaints / restorations.

- Written report provided.
- Director Vicknair has been talking to mechanical and restoration folks about goals for 2016.
- Director Carter has expense / cost list and supplies list for setting up for painting.
- Director Carter pointed out that we have been getting question, probably #1 question, when will we be repainting more equipment. Feels it would be a huge impact especially with events coming up.
- WP 1503, CCT 24 and SN 1642 recommended as targets for painting in 2016.
- Looking for approval of these pieces as goal.
- Director Habeck expressed approval. Noted that we filled 5 cabooses for Santa Train. SN 1642 needs paint badly.
- Director Carter has spoken to Steve Lee and Henry Krenning former UP Steam Department and they are willing to apprentice him in painting.
- Director Monger expressed opposition to putting these ahead of F-units and wants those to be priority.

- Director Habeck and David Elems pointed out that the Fs will require much more work and expense to be ready for painting.
- Director G. McClure pointed out that there is in excess of \$11,000 donated for WP 1503 already.
- Director Carter agreed that F units need full restoration work and we need much more money, while 1503 is operational in good body condition and has money available. Also we still need to decide what paint scheme the Fs will wear, but 1503 only wore 1 scheme, The Fs would not be ready for this year, while 1503 is nearly ready to go.
- Director Elems has taken on F-units as a project and has been studying them for full restoration. Director Habeck stated that work on the Fs will not be “half-assed” but needs to be done fully and correctly.
- Question about Restricted Fund amounts for the 1503. President Rod McClure actively solicited donations from interested friends and members for the 1503 before he became ill.
- Director Elems is working on fundraising program for the Fs as well as working on full restoration plan
- Director Habeck asked that we be looking at freight car repainting in the future.
- Director Carter would like to paint some freight cars.
- Idea for this proposal was to keep the goal achievable and give us a ramp up for larger painting projects in the future. We need to get painting program started.
- Leisa Wesch suggested that we start a project management program to track time projected and resources needed.
- Consensus direction given to proceed as outlined in the report.

Good of the Order

Vice-President’s Report

- Verbal report.
- Kudos to the mechanical department for the progress they have been achieving. Lots of focus on rubber tire equipment recently.
- Lots of progress on support equipment.
- UP had to dig up a 20 ft hole in the yard where they had a fuel spill on one stored locomotive. Someone suggested that we might have been involved, but UP Special Agent vouched for us and confirmed that we had not taken any fuel. Feeling now is that someone snuck into yard and tried to steal diesel by cutting fuel supply line. Some later arriving stored engines have arrived with fuel in tanks.
- UP would like to send mechanical people from Roseville to remove horn sequencers from two GE locomotives that we have stored on the property.
- Director Baer thanked Steve Habeck for his work.

Financial Reports

- Financial Reports and Summary provided.
- Big expenses at beginning of the year was insurance: expense over \$7,100 for down payment on annual policy. Pay total over 7 months through July.
- Question about insurance costs. All museum policies are going up across industry. Our liability policy is our biggest single insurance expense. We also have director and officers insurance. Both renew in January. We also have auto coverage and insurance on archives materials.
- Director Monger has mailed or handed out all donation thank you letters for 2015. \$50,000 bequeathment came from Bob Weekly. He has been a long time large donor in beginning of the year. Director Gail McClure sent thank you letter to Bob Weekly trust when bequeathment was received. We need to encourage members to consider us in their wills and estate planning.

Director’s Reports

Gail McClure – expressed deep and sincere thanks to Steve Habeck and Eugene Vicknair for their efforts during President Rod McClure’s illness.

Event Reports

- *2016 Convention* – written report provided
- *Chili Cook-Off* - written report provided

Department Reports

- *Website and Marketing* – written report provided
- *Funding* – Union Pacific Foundation grant awarded, written report provided – do response letter for grant

Motion 02-16-02

Motion to add an item of urgency: acceptance of UP Foundation Grant Award.

Vicknair / Monger. Aye – 8, Nay – 0, Abstain – 0. Motion carries.

Motion 02-16-03

Motion to accept the Union Pacific Foundation Grant for \$3,000 and authorize Director Vicknair to send response / acknowledgement letter o UP Foundation.

Vicknair / G. McClure. Aye – 8, Nay – 0, Abstain – 0. Motion carries.

- *General Superintendent* – written report, organization chart and department / committee listing; thanks to Directors Vicknair, Habeck and Carter for their support and input on the website, thanks to Rick Gruninger and others for input on training materials and improvements. Director Carter enthusiastically thanked Paul and Kenneth Finnegan for their work and improvements on the website. Discussion of organizational chart and department / committee list. Director G. McClure recommended that we send changes in org chart to Director Cochran and post on the website. Director Cochran requested changes, comments and concerns.

Committee Reports

- *Collections* – recommendation on Union Pacific GP30 849. Director Monger pointed out that 849 spits oil from the turbo quite a bit even after hundreds of manhours and many dollars. Director Habeck and Baer both expressed that they like the engine. Director Baer also pointed out that it is expensive to run and maintain and that we should find a buyer. Director Habeck regretfully agrees. Noted that we already have interest in it. Director G. McClure asked for update on ownership issue. Director Habeck recapped that he went through court agreement that states that if not moved by specified date then ownership reverts to FRRS. David Luddington confirmed this and UP legal department confirmed that their interpretation is that UP 849 belongs to us. UP treated equipment as belonging to Doug Morgan and then informed us to remove equipment and stated that it now belongs to us. Steve Habeck agreed to obtain copies of UP Special Agent reports and have proof in writing of ownership opinions. Consensus to look into deaccession of the UP 849 and accept recommendations of the committee.
- *Election* – written report provided. Habeck has received election timeline details, payments received and confirmation of statements.

Legal / Insurance Report

none

Status of Surplus Property Report

none

Safety Report

none

Public Comments

Carter – Brought up that in November that all 9 directors were required to sign confidentiality agreement. Understands that 7 of signed, but that 2 are refusing. Asked what Board is going to do about 2 that are refusing to sign. Director Cochran stated that policy was approved by the Board and that according to Robert's Rules of Orders and (he believes also California State Law) that all directors are required to comply with all policies adopted by majority of board. If they do not wish to comply, the Director Cochran feels this may fall under Director Misconduct in our by-laws. Director Baer feels that his duties as a director conflict with policy. Feels that California Corporate Code superceeds. Director Habeck pointed out that applies to items in Closed Session and other confidential items. Disagrees with Director Baer's interpretation. Director Carter feels that they should sign or be held in misconduct. Director McClure asked for status of misconduct investigation already requested by member letters concerning Directors Monger and Baer. Asked if this should be folded into investigation. Director Habeck is still assembling the investigation committee and will provide them with information on this issue. Director Baer stated that he and Monger had the policy reviewed by a legal rep and the rep stated that this policy is not proper. Director Cochran recommended that we confirm policy with our

legal representative. Director Baer feels that he has lived up to his obligations as a director and has followed the rules. Director Carter expressed that he has heartburn over the policy, but know that it was a policy approved by majority of the Board. Wants to go on record that policy has been around for years and Director Monger voted in favor of it in past renewal. Rick Gruninger asked why they are reducing to sign and does not understand their refusal and what they object to. Director Monger stated that policy goes beyond what is required by California Corporation Code according to Keith Gillette, his legal counsel. Discussion on the intent of the policy by Rick Gruninger who said he has read it and does not understand why they will not sign it. Director Baer feels it goes too far and does not have proper authority. Director Carter pointed out that individual directors cannot pick and choose which policies to follow or not follow. Asked them to sign so we can get past this issue. Habeck asked for a specific list of their objections by the end of the month. David Elems pointed out that this policy would apply to the other managers and department heads and they would also need to sign. Director Cochran confirmed that this is the case and others handling confidential info will need to sign under policy. Habeck restated that directors Monger and Baer has 2 weeks to deliver list of objections to him then he will go to legal counsel for review. Deadline is February 27 to deliver the list.
Bill Jackson – Wanted to thank Director Vicknair for including text in Repaint Work item that the repaint work will not supercede RAL repairs and WP 165 work.

Notices

none

Closed Session

none requested

Adjourn

Meeting adjourned at: 3:45 PM
Next meeting: March 12, 2016 – 1:00 PM
Location: WPRM Meeting Room - Portola, CA

Respectfully Submitted, Eugene Vicknair -- Secretary, FRRS