

Feather River Rail Society  
Board of Directors Meeting  
July 10, 2004  
6:00 p.m.  
Volunteer Lounge, Portola Railroad Museum  
Portola, California

President Rod McClure called the meeting to order at 6:10 p.m. The following directors were present:

Frank Brehm	Kerry Cochran	Steve Habeck	Norm Holmes
Gail McClure	Wayne Monger	Hank Stiles	Eugene Vicknair (phone)

Director Andy Anderson was unable to attend.

Staff present:

Dan Brady                      Alan Turner

Visitors present:

None

**Installation of New FRRS Board**

Wayne Monger, newly elected FRRS Board Member, was welcomed to the Board of Directors.

**Correspondence**

None at this time

**Consent Calendar**

1. Minutes – Approval of the minutes of the regular meeting held June 5, 2004.
2. Financial Reports – Balance Sheet and Profit/Loss statement through July 9, 2004.

Motion # 04-07-01 – Removal of financial reports from consent calendar. Motion made by Director Brehm, seconded by Director Stiles. All Directors present voted in favor. Motion carried.

Motion # 04-07-02 -- Approval of consent calendar as amended. Motion made by Director Brehm, seconded by Director McClure. All Directors present voted in favor. Motion carried.

**Financial Reports**

Director Habeck left the meeting at 6:20 p.m.

Dan Brady, Treasurer, presented the FRRS Year End 2003 Financial Statements. The final copy was not much different from the preliminary statement presented to the Board in January 2004. Overall, cash and revenue increased slightly over Year End 2002.

Mr. Brady also provided a 2004 Year-to-Date Balance Sheet and Profit/Loss Statement. He advised the board that we are in a negative cash flow position, however, we were in this same position at the same time last year. He did request that spending slow until additional monies start coming in. He also recommended that we focus on fundraising from the membership and other sources. New memberships and renewals are where they are expected to be at this time of the year.

Mr. Brady advised that a CD held by the Society has matured and he recommended an expanded equity position with our investments in consultation with our investment broker.

Each member of the Board was offered the opportunity to comment on this investment strategy. All were generally in favor of such a move.

Mr. Brady presented a print made from an original watercolor painting, done by Jack Christensen, as the first of a limited edition of WP prints, to be offered for sale by the FRRS as a fundraiser.

Motion # 04-07-03 – Authorization to proceed with printing services for the purposes of sale in the gift shop and fundraising. Motion made by Director Stiles, seconded by Director Brehm. All Directors present voted in favor. Motion carried.

Director Holmes asked if a past issue regarding monies to be deposited to the Endowment Fund several years ago was ever resolved. Mr. Brady advised that per direction of the Board, the funds in question were placed in the Endowment at that time.

## **Old Business**

### **Rio Vista Equipment Move**

President McClure discussed the logistics of the equipment move from Portola to Rio Vista and Rio Vista to Portola. He and Directors Brehm, Habeck and McClure high-railed the BAERA railroad from Rio Vista Junction to Cannon. There are a few minor spots that still need to be addressed, but they should be handled shortly.

An additional issue has arisen with PG&E. They have gas pipeline work that they are targeting to complete between August 15-October 15 and runs directly under BAERA trackage across which the equipment must be transported. All parties have agreed to wait on the equipment move until the work has been completed. PG&E may be willing to compensate BAERA and FRRS for the inconveniences caused by this work and which could be applied to the expenses involved with the move.

Pre-inspection of the equipment for mechanical condition to be completed in the week following the Board meeting.

### **Tidewater Southern Bunk Car**

Director Vicknair asked for authorization to run an Internet fundraiser to raise the anticipated \$3,000 it will cost to move the Bunk Car.

Motion # 04-07-04 – Motion to approve Internet fundraiser to raise loading/transportation costs for donated Tidewater Southern Bunk Car. Motion made by Director Cochran, seconded by

Director Stiles. All Directors present voted in favor, with the exception of Director Monger who voted against. Motion carried.

Director Brehm raised the question of where any additional funds would come from if this fundraiser did not net enough to cover the expenses. Confidence was high that the money could be raised, however, if it was not, the car would not be moved and given back to the original owner who donated it.

### New Business

#### **Truckee Railroad Days 2004**

President McClure reported that he had met with the Railroad Regulators 601 who are coordinating Truckee Railroad Days 2004. They advised without our participation, there would be no event. They have two potential new financial backers, and President McClure had a draft contract forwarded to Alan Turner for review. The contract is essentially the same as last year, however, they will give a good faith cash donation to the Society, we will receive a percentage of the net gate fees collected, and expenses for two rooms during travel and rooms for up to 20 volunteers during the event. They will also provide a BBQ dinner for volunteers Saturday night. Any switching done with FRRS crews and equipment at a flat rate.

Director Stiles indicated a concern about the late nature of this request. Director Cochran expressed a concern regarding a lack of volunteers and why we seem to be having this happen.

Motion # 04-07-05 – Agreement to participate in Truckee Railroad Days 2004 with authority given to President McClure to complete negotiations with the representatives of Truckee Railroad Days 2004. Motion made by Director Vicknair, seconded by Director Monger. Vote was taken by a show of hands at the request of Director Stiles. Directors Brehm, Holmes, McClure, Monger and Vicknair voted in favor. Director Stiles voted against. Director Cochran abstained. Motion carried.

Member David Epling will be contacted regarding coordination of volunteers for the event. President McClure was also given the backing of the Board should he choose to walk away from the negotiations due to a lack of cooperation with the other negotiating parties.

Break: 7:23 pm - 7:36 pm

#### **FRA Conferences, 2004 and 2005**

President McClure reported receipt of an invitation to participate in the FRA Regional Shortline Association Safety Seminar to be held at the Port of Los Angeles in San Pedro, CA. The event is scheduled for 08/10-12/04.

George Hardy with the FRA has indicated he would be in support of the Portola Railroad Museum sponsoring the event in 2005. The FRRS has a very good reputation with the FRA and it was expressed by Director Cochran and President McClure the importance that this continue.

Motion # 04-07-06 – Support to send one or two FRRS representatives to the FRA Conference, scheduled August 10-12, 2004 and with particular attention to gathering information for the possibility of sponsoring the Seminar in 2005, with a budget of no more than \$1,500 to be funded from budget line item 67310 – Administrative Support, Travel & Meals. Motion made

by Director Stiles, seconded by Director Monger. All Directors present voted in favor. Motion carried.

Member Doug Morgan joined the Board meeting at 7:49 pm.

### **Sacramento Northern Caboose**

Director Vicknair presented a written report advising that SN 1642 bay window caboose has been offered for sale at a price of \$19,500. Consensus direction was given to request Director Vicknair to investigate the opportunity to acquire the caboose.

### **Purchase Offer for SP 4004 RS-32**

Director Vicknair reported he was discussing another issue with the President from the Pacific Southwest Railroad Museum (aka: Campo Museum). Their Board is very interested in obtaining and restoring this locomotive to operation. Purchase price FOB Portola would be \$10,000. They would agree to pay for the FRRS to do any necessary work to make the locomotive road-worthy.

Discussion ensued regarding value of the locomotive as is and as scrap, as well as a continuation of fostering the spirit of cooperation between museums.

Motion # 04-07-07 – Acceptance of offer to purchase SP 4004 RS-32 Locomotive from the Feather River Rail Society by the Southwest Railroad Museum for the amount of \$10,000, FOB Portola, pending inspection and acceptance of condition of said locomotive, and final contract review by legal counsel and Board of Directors. Motion made by Director Vicknair, seconded by Director Cochran. . A hand vote was taken at the request of President McClure. Directors Brehm, Cochran, McClure, Stiles, and Vicknair voted in favor. Directors Holmes and Monger voted against. Motion carried.

### **Good of the Order**

#### **President's Report**

No report in the interest of time.

#### **Director's Reports**

Director Holmes provided a written report on the "Domes to Reno" excursion, from Chris Skow with Trains Unlimited, Tours, along with a \$2,000 donation from Mr. Skow toward the Zephyr Project. Director Vicknair will draft a Thank You letter for Mr. Skow's generous donation.

#### **Department Reports**

*Operating Department*—Tabled by Director Cochran for inclusion on the August 2004 Agenda.

*Facilities*—Director Vicknair reported that while work has been delayed beyond original timelines, work progresses with nearly all of the electrical and framing work done. He also specifically thanked Director Cochran for all of the sheetrock work completed to date in the car. Director Cochran reaffirmed this.

*Funding* – Director McClure reported an invitation to report for a rather substantial grant and was requesting direction from the Board. Several ideas were brought forth, and the Board requested further investigation and requested she report back to the Board.

## **Committee Reports**

***Acquisitions and Deaccessions Committee***—President McClure forwarded for review the acquisitions of several pieces of equipment including the Quincy/Susanville locomotives, Alaska Railroad equipment, and PFE equipment presented at previous meetings and referred to this committee. One member failed to respond. All other members recommended acquisition of the Alaska “B” unit, a Budd RDC, and yes on the Quincy/Susanville SPI locomotives. The vote was negative on all other items submitted, with the exception of one member who did recommend review of the Alaska diners.

President McClure was given consensus direction by the Board to write a letter to the organizations currently in possession of the equipment.

***Jazz Train Report***—Director Monger advised he had not had the opportunity to review ticket sales and was waiting for publication of The Train Sheet as this is where the bulk of advertising was done.

***Magnolia Tower***—Doug Morgan reported that two gondola cars are in Oakland for loading the pieces of Magnolia Tower. Slowly, but surely, we are getting closer to finalizing this project.

## **Legal Counsel Report**

Nothing to report

## **Status of Surplus Property Report**

Nothing to report

## **Safety Issues**

Director Cochran advised he had approximately six issues brought to his attention, of which three have been corrected. He asked that everyone keep focused on the goal: Safety First.

President McClure advised he has requested Director Cochran immediately take safety issues to the Department Head responsible for this area. If that individual fails to correct the issue, Director Cochran has been instructed to then bring them to the Board for discussion and or action.

## **Closed Session**

Meeting adjourned to closed session at 8:26 pm and re-adjourned to open session at 9:07.

Legal Counsel reported out as to the first item of business considered in closed session, the Board heard from counsel regarding the status of the Chicago lawsuit. The Board by consensus authorized the President to attend settlement discussions in Chicago, IL and gave direction as to how those negotiations should proceed. No reportable action was taken by the Board.

As to the second item of business, the Board heard from counsel regarding its obligations to provide business records and the obligations of Directors and their authority as individuals, as a group and as officers. Information and advice was provided by counsel. No reportable action was taken by the Board.

**Other**

No other issues brought forth at this time.

**Adjourn**

Meeting adjourned at 9:10 p.m.

Next meeting: Saturday, August 14, 2004

Location: PRM Volunteer Lounge

Portola, CA

Respectively Submitted

Gail A. McClure