

## Minutes of Past Meetings

The Board agreed to let the Site Committee review it.

**OLD TOWN EXTENSION:** The Board discussed the proposed idea for an "Old Town Extension", they noted that there would be many obstacles to overcome for a project like this to be completed. A committee was appointed consisting of Rod McClure, Eugene Vicknair, Andy Anderson, Jan Brietwieser and Ken Iverson to complete a feasibility study.

**OPERATIONS REPORT:** Director Cochran presented his report and stressed the need for everyone to work on better safety measures. Gail McClure thanked Director Cochran for his report.

### GOOD OF THE ORDER:

**PRESIDENT'S REPORT:** President Anderson thanked everyone for working together and getting everything accomplished.

**DIRECTOR'S REPORTS:** Director Cochran noted a change on the calendar, train rules workshop should be on May 4<sup>th</sup> and 5<sup>th</sup>.

Director Vicknair reported that he would be receiving parts for the Zephyr. Director Holmes reported that he was working on the Cyrognic refer acquisition. Director Stiles reported that he had found o-rings for the 857. Director Brietwieser reported that Portola Railroad Days had been set for the last weekend in July.

Ken Iverson reported that the gift shop locks had been changed so you only need one key to get in and that the snow plow had been broken.

**REPORT FROM LEGAL COUNSEL:** Mr. Turner reported that the Society will now be receiving copies of pleadings, etc. from the Illinois case and that they could expect a ruling this month. He also requested that roll call and a place for committee reports be placed on the agendas. He also complimented the Board on its willingness to work on organizational issues. He also noted that he would review the by-laws and suggested that the Board utilize a good set of sample by laws and keep them short & sweet.

Director Stiles asked about an attorney that Mr. Morgan had asked to review the bylaws, the Board indicated that that was no longer necessary due to Mr. Turner's presence.

Dan Brady asked the Board Members to spend time reviewing all the projects and determine the feasibility of each project.

Mr. McClure noted that he would have a complete track inspection done soon.

Adjourn: Meeting adjourned at 2:18 p.m.

Next Meeting: February 2, 2002, Portola

Respectively Submitted

Leslie Tigan

### February 2, 2002

President Andy Anderson called the meeting to order at 1:05 p.m. The following directors were present: Andy Anderson, Frank Brehm, Jan Breitwieser, Steve Habeck, Norm Holmes, Hank Stiles, Eugene Vicknair. Pat Brimmer and Kerry Cochran were unable to attend.

Visitors present: Irene Hardisty, Dave Hardisty, Tom Graham, Alan Turner, Gail McClure, Rod McClure, Judy McGrath, Janis Peterson.

### CONSENT AGENDA:

Minutes – Approval of the revised minutes of the Regular Meeting held on December 1, 2001 with changes as submitted.

Minutes – Approval of the minutes of the Regular Meeting held on January 5, 2002 with no changes.

Finance Reports – Transaction report and Profit & Loss Statement through January 28, 2002.

Membership Report – Approval as submitted.

Magnolia Tower – Approval as submitted.

Motion #01-12-01

Made by Director Brehm, seconded by Director Breitwieser to approve the consent agenda as presented. All directors present voted in favor.

Before proceeding to Old Business, President Anderson read a letter to the Board from Helen Kennedy of the Williams House. This letter advised that a donation in the amount of \$100 was customary for use of their meeting facilities, however, they would be willing to accept a letter of support in lieu of said donation. President Anderson advised he would write the required letter.

President Anderson also read a letter of resignation from Leslie Tigan. She stated that it was not her intent or understanding that her duties as Secretary be a permanent position. She also said that based on her past participation, it would appear to her that the Society is "headed in the right direction." She further advised she will continue to post notification of meeting agendas at City Hall and volunteered to assist with certification of pending Board elections.

Based on Ms. Tigan's suggestion, President Anderson requested Gail McClure accept secretarial duties regarding recording of meeting minutes. Ms. McClure agreed. Director Vicknair as Secretary will be responsible for submission of meeting agendas.

### OLD BUSINESS:

**ROLLER BEARING TRUCKS & WP FREIGHT CARS:** Director Brehm reported he has pursued acquisition of two former WP cars from Jim Dobbas, Inc. One of these cars is a ballast car that will be used by MofW department, the other is a hopper car. Both cars are less than 20 years old and in very good condition.

Director Brehm advised the purchase price of these cars to be \$2,000. Directors Brehm and Vicknair brought this possible acquisition to the attention of an internet chat group focused on the WP and were able to raise these monies in less than one week. Director Brehm presented checks submitted by supporters to President Anderson.

Director Stiles indicated purchase of these cars should be presented to the A&D committee for their recommendation.

Rod McClure, committee chair, indicated that the ballast car would be required for upcoming and future track work.

Directors Brehm and Vicknair reminded the Board that it was previously stipulated by the A&D Committee that preservation of WP equipment was a priority of the organization.

Mr. McClure advised on behalf of the A&D committee, purchase of these cars was recommended. He also advised arrangements had been made to move the cars free of charge to the Society.

Motion #02-02-01

Made by Director Stiles, seconded by Director Vicknair approving funding of these purchases from donations made to a new account called Freight Car Acquisitions Fund. All directors present voted in favor.

President Anderson presented a check for the purchase of the first of the two cars for Jim Dobbas, Inc. to Director Brehm and advised the second check to follow later in the week.

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BEANERY: President Anderson introduced guests Irene and Dave Hardisty regarding operation of a restaurant facility in The Beanery.

Ms. Hardisty stated that she had been approached by former President Jim Murphy in August 2001 regarding the possibility of a lease arrangement or operation agreement for food services on the museum property. She presented a package to each Board member outlining her goals, experience, and service provisions. One goal mentioned was to encourage the local population to be on property, thereby gaining local support for the Society's endeavors.

Director Holmes advised that past operators of The Beanery had agreed to provide discounts for train crews. Ms. Hardisty said she was certain an agreement could be reached with her as well.

Ms. Hardisty advised that the kitchen equipment looked to be in good shape.

Director Stiles indicated he understood a fire suppression system would be a required upgrade to the kitchen facility. Director Vicknair clarified further indicating installation of an Ansul system would be required.

Director Breitwieser suggested a committee be formed to investigate required upgrades and possibly begin negotiations with Ms. Hardisty regarding operation of The Beanery.

Director Vicknair stated that there would likely be a number of improvements required including ADA compliance regarding parking, access and restroom facilities.

Ms. Hardisty noted she had spoken with representatives from Environmental Health and they indicated permit was in place and start up of operations should be fine.

Director Breitwieser volunteered to be involved with a committee to address these issues. Alan Turner reminded the Board a Facilities Committee was already in place. Director Vicknair, committee chair, requested Director Breitwieser's participation on that committee.

President Anderson advised he would speak with Jerry (?) /Environmental Health (?) to confirm their understanding of The Beanery's operational readiness.

Alan Turner, the Society's legal advisor, indicated he would request he be allowed to review any agreements/contracts prior to signing.

Directors Stiles and Vicknair requested a meeting with Ms. Hardisty later that afternoon at The Beanery to gain additional detail regarding her ideas for its operation.

WP CABOOSE 779: Director Brehm expressed concerns regarding several issues regarding acquisition of this caboose including ownership of the cars, restoration budget and who the project manager was to be in addition to concerns regarding involvement of the City of Portola as a sponsor of this project in light of these concerns.

President Anderson indicated that Danny Leonhardt, from whom the caboose and payroll cars were obtained, misled Director Holmes in his representation of ownership of these cars when they are still owned by the Feather River Short Line (FRSL). Director Anderson further advised he had spoken to representatives of the FRSL who indicated they would like to see the cars remain with the FRRS as they fall under the scope of our mission.

Director Breitwieser questioned how much money has been spent in acquisition of these cars. Director Holmes indicated approximately \$3,000 was spent to move the equipment to the museum and to purchase/deliver a trailer as part of the agreement with Mr. Leonhardt.

Director Vicknair asked if there was any paperwork provided by Mr. Leonhardt indicating transfer of ownership. Director Holmes stated that paperwork regarding transfer of ownership was promised but never provided, and that a bill of sale was provided to Mr. Leonhardt for

the trailer.

Director Vicknair provided a short history of the tense relationship between the FRSL and FRRS for the benefit of those present who were unaware of past issues effecting the importance of a quick and mutually beneficial resolution on proper transfer of ownership of the cars.

Director Stiles suggested Alan Turner provide position advice. Mr. Turner stated that if there is no paperwork indicating proper transfer of ownership, the FRRS does not own the cars. The Society is liable for providing proper care and protection of the cars as they are currently in its possession and also fiscally responsible as money has been spent without clear ownership. He advised it in the Society's best interest to clarify both the FRSL and FRRS position and resolution of ownership, in writing, as soon as possible.

Director Breitwieser asked if there is any way to recoup the money spent on acquisition of these cars. Director Vicknair also asked if there was any recourse due to misrepresentation of ownership.

Mr. Turner reiterated the Board must obtain a conveyance of ownership document from the FRSL. He also advised the need to obtain a liability release from them as well and questioned if the FRRS could work with them regarding transfer of ownership.

President Anderson stated that his conversations with representatives of the FRSL indicated they would not be willing to release ownership of the cars without some type of consideration from the FRRS. He suggested the FRSL attorney be in contact with Mr. Turner regarding a proposal to resolve the issue at hand.

Item was tabled for discussion at a future meeting to allow both attorneys time to provide a mutually beneficial proposal for further action.

FRRS FINANCIAL SITUATION: President Anderson read a letter presented by Treasurer Dan Brady. The letter indicated that the FRRS is currently in a cash crunch and he had specific questions regarding certain expenditures and how they were to be accounted for.

Director Vicknair advised he would clarify certain expenditures on the Silver Hostel project to assist Mr. Brady with his financial reporting.

Director Stiles indicated that Mr. Brady's question regarding utilization of restricted funds for the GP9s were to offset the cost for acquiring/moving the locomotives. Director Holmes reminded the board use of these restricted funds was amended to include restoration of the GP9s as well.

Director Habeck stated there were no costs involved with transportation regarding acquisition of these units (?).

President Anderson asked all Directors address Mr. Brady's concerns with Mr. Brady as soon as possible to provide him the answers he requires.

JACK HATHAWAY DONATION: Director Vicknair indicated he and Director Cochran continue to work with Mr. Hathaway and asked that this item be removed from the agenda for presentation at a future board meeting when additional information becomes available.

### NEW BUSINESS:

MISREPRESENTATION OF FRRS POSITION: Director Brehm expressed concern regarding Director Holmes presenting himself to the public as "Curator". His specific concern was who created this position, why there is no job description or responsibilities and nothing in the existing organizational chart regarding the position or where reporting responsibilities lie.

President Anderson stated this position was created by former

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President Jim Murphy.

Tom Graham provided copies of the departmental functional responsibility chart and organizational flow chart previously approved by Board action (chart does not include position of "Curator"). Mr. Graham asked that known corrections be provided in writing to Administrative Manager Gary Hall for follow-up.

Rod McClure advised Maintenance of Way needs to be added as a separate department on these charts.

Mr. Graham asked that Mr. McClure e-mail the requested change to Mr. Hall.

Mr. Graham also stressed the importance of following the "chain of command" regarding new and on-going issues/concerns rather than just going to the top of the organization.

Director Brehm questioned what is to happen when this procedure is followed but there is a lack of response.

Mr. Graham indicated that board minutes are a reporting tool and have not been detailed enough. He further indicated that communication with interested parties is critical.

Director Holmes advised the Curator position is in the FRRS recommended practices guidelines and one of the duties of this position is to make recommendations regarding acquisitions/de-acquisitions of equipment. He also advised that the main focus of the position is to answer historical questions when presented.

Director Vicknair pointed out that this definition creates a conflict with the established A&D Committee concerning acquisitions and de-acquisitions.

Mr. Graham stated that a lack of communication, reporting and recording has resulted in confusion regarding procedures and organizational structure.

Director Breitwieser stated a need for further clarification of the Curator position.

President Anderson indicated Mr. Hall should write a job description. Director Habeck stated he was in agreement this was necessary.

Director Brehm asked that the Board see job descriptions for any position before filling them.

President Anderson directed Mr. Graham to advise Mr. Hall a job description will need to be created for this position.

**FUNDRAISING:** Director Vicknair advised he was proposing a direct mail fundraising campaign using a pool of 10,000 names compiled from a variety of sources. He stated that this effort, along with the possible employment of Marta Egan and her pursuit of local funding sources and Gail McClure exploring grant possibilities would help the Society to better reach its goals.

Director Brehm advised that the money raised to fund the purchase of the two WP cars from Jim Dobbas, Inc. was accomplished this way via e-mail appeals.

Director Vicknair also pointed out that a direct mail campaign could be used to promote memberships, gift memberships, bringing attention to ongoing equipment restoration and would be a boost to public relations.

Director Breitwieser asked that a funding committee be created. Director Vicknair reminded the Board that a committee already exists and advised Ms. McClure had at one time volunteered to lead the committee.

President Anderson and Director Breitwieser asked Ms. McClure if she would be interested in leading the Funding Committee. Ms. McClure advised she would.

Tom Graham stated that the Administrative Services Department Head should have a say in Ms. McClure's appointment to the committee. President Anderson said he would recommend Gary Hall

consider Ms. McClure for the position. Mr. Graham advised he would apprise Mr. Hall of same.

### GOOD OF THE ORDER:

**PRESIDENT'S REPORT:** President Anderson read a letter to the board from Michael Yarmey/Portola City Building Inspector noting a concern over lack of code violation corrections on the museum property brought to the Board's attention last year.

Director Vicknair advised that a number of the noted violations had been corrected when originally brought to the attention of the Board and that he had taken former President Murphy around the facility showing these corrections to him. He also provided an additional listing of corrections to Mr. Murphy in October 2001 along with copies of requested permits. Director Vicknair further advised he had visually inspected some of the corrected code violations prior to this day's Board meeting only to discover that some of these items had been re-installed in violation of city code. With the assistance of members present at this time, these items were again removed/corrected.

Director Vicknair indicated he has been in contact with two licensed electrical contractors who may be available on the March 2-3, 2002 work weekend to correct the electrical problems at little or no cost to the Society.

Alan Turner advised that a Board representative meet with Mr. Yarmey at the property to show him what has been done and provide a plan for what remains to be corrected. He advised at this time the Board apply for extension of timeline for these remaining corrections.

Director Vicknair advised that much of what Mr. Turner suggested is already in progress and he will update President Anderson who will meet with the Building Inspector.

Tom Graham stated that many of these items should have been corrected last summer.

Judy McGrath indicated it would be helpful to have a listing of these code corrections posted in the Operations office.

Director Vicknair advised he would like confirmation from the city if the previous lists and permit copies had been received by Mr. Yarmey from Mr. Murphy.

**GIFT SHOP:** President Anderson stated that the Gift Shop is in need of an overhaul prior to the start of the operating season. He advised that Director Breitwieser has been working on an inventory of the existing stock.

**RAL PROGRAM:** President Anderson stated at this time the only members currently involved with this program are himself, Director Holmes and (?).

Rod McClure said he has two people who would like to be directly involved in this program. Director Vicknair indicated that Society member Matt Parker would like to be re-involved with this program as well.

Director Stiles said he felt employment of Marta Egan would be of immense benefit in providing on-site coordination of the program.

**EMPLOYMENT OF MARTA EGAN:** Director Breitwieser provided copies of the employee committee meeting recommendations including job responsibilities. She advised that although this item was not on the meeting agenda, she would request that the Board act on the recommendation today.

Alan Turner advised that it could not be acted on today as it was not on the agenda, but that if the Board chose to, a motion could be made for a finding of urgency regarding the recommendations. He stated upon cursory review of the recommendations there be clarification on

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time constraints, independent contractor status and clarification of authorized expenses.

Director Vicknair reminded the Board there is \$16,000 in the endowment fund for expenses arising from employment for this type of position.

Director Habeck commented the committee responded as requested by the Board.

Mr. Turner advised that the Society need to create a business master plan and stated that many of the duties presented as part of the proposed employment of Ms. Egan would be included in this document. He requested he be allowed to create a legal employment contract from the presented document.

Director Breitwieser stated Ms. Egan should not have a problem with including the task of short and long term business plans as recommended by Mr. Turner.

Mr. Turner advised that at this time, the board can approve funding of the proposed position and advised the Board that the following motions regarding this issue be considered:

### Motion #02-02-02

Consideration for adoption of proposal to secure Marta Egan as an independent contractor made by Director Vicknair, seconded by Director Habeck. Directors Breitwieser, Habeck, Holmes, Stiles, and Vicknair and President Anderson voted in favor. Director Brehm voted against.

### Motion #02-02-03

Approve employment of Marta with concept of proposed job description with funding provided from endowment made by Director Stiles, seconded by Director Habeck. Directors Breitwieser, Habeck, Holmes, Stiles, and Vicknair and President Anderson voted in favor. Director Brehm voted against.

**DIRECTOR'S REPORTS:** Director Holmes advised that the Simplot car should arrive on or around 02/08/02.

**COMMITTEE REPORTS:** No committee reports at this time.

**REPORT FROM LEGAL COUNSEL:** Alan Turner told the Board there was no need for closed session regarding the Silver Hostel litigation. There has been no ruling from the court and it would appear billing is in line with work done to date.

Mr. Turner said that it is important that functions through committees progress. He also took the opportunity to offer the following business advice:

He complimented the Board on the admirable job they have done during its recent transition, but cautioned that the Board is working harder than they should have to and are being "mowed down" by rolling stock and restoration focus.

He recommended the following:

—Sending a committee to three to five major museums for advice on what they have done to be successful.

—Must have a focus on fundraising/grants as we cannot rely on volunteers or patchwork to progress.

—Acknowledge and understand that the FRRS and the museum are unique and separate creatures. This could be of particular importance with respect to fundraising and grants.

—Required reworking of Society Bylaws. He advised that the Board should not have to pay an attorney to come to every meeting. His services should be to provide legal advice, not business advice.

**OTHER:** Rod McClure noted that he has submitted his request to the Union Pacific (UP) for an Operation Lifesaver Train to be present for Portola Railroad Days. He will keep the Board apprised as additional

information becomes available.

Mr. McClure also advised he has secured donation of an ex-WP tank car from the UP. He noted the car has roller-bearing trucks and can be used in mainline service.

Mr. McClure noted he has been contacted by another party interested in ownership of the tanks and questioned if anyone was aware if progress had been made regarding their transference by Gary Hall as directed by the Board. It was recommended Mr. McClure contact Mr. Hall to determine the status of the tanks.

Mr. McClure remarked that he had been contacted by several individuals questioning why there was no membership application on the website.

Alan Turner asked the Board if there was a built-in mechanism for short-term borrowing against restricted funds. Many agencies utilize this type of mechanism for providing funding for immediate need situations. Principle borrowed is normally subject to a reasonable interest rate, requires a super-majority (2/3) of the Board's approval to proceed, and must be repaid within 90-180 days.

President Anderson stated he would have Susan Scarlett/Finance Officer contact Mr. Turner to discuss further.

Rod McClure advised the Board that he, Gail McClure and Steve Habeck had performed a preliminary inspection of the File Cabinets in the office car as directed by the Board. He noted that it would appear there are many files missing and the Board's Omissions and Errors insurance policy was found lying at the back of a drawer in a desk in that car.

Director Vicknair reminded all present there are two scheduled work weekends at the Museum in March: 03/02-23/02 and 03/22-23/02. The items to be addressed include general clean up, clean up and proper securing of the hospital property, and code violation corrections.

Discussion ensued regarding placement of items on the agenda and procedures for same. Director Breitwieser asked what the policy was for submission of items to the agenda.

Director Vicknair indicated the following:

Agenda item requests, including a brief on the item, to be submitted no later than the second Friday prior to the scheduled meeting.

Full report/proposal submitted no later than the Monday prior to the scheduled meeting.

Alan Turner advised that requests for agenda items normally flow through some executive with independent assessment. The President of the organization has the final review. If an item is kicked back to the requestor, that individual should either request it be placed on the next agenda or be addressed at the current meeting as an urgency item. The amount of control over agenda items should be based on organization policy.

Mr. Turner stressed the need to control extraneous carry over of agenda issues.

Judy McGrath asked Director Stiles if the tamper would be arriving anytime soon. Director Stiles advised that it should be delivered to the property shortly.

Tom Graham stated it would be helpful to have reports in hand prior to being addressed at the Board meetings.

Director Habeck informed the Board that the reporting marks, FRRX, had been officially recorded and could now be used on all Museum equipment.

Adjourn

Meeting adjourned at 3:10 p.m.

Next meeting: Saturday, March 2, 2002. Location TBD Portola, CA

Respectively Submitted

Gail A. McClure