

Code Corrections, Grounds Clean-Up

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the diesel shop should sport a blue light and emergency signs.

Also, the new equipment informational signs are showing up around the museum. The Silver Hostel and UP 105 became the first items of rolling stock to have signs. Thanks to Mary Ann Vicknair, Wendy Holtz, Eric Stephens and Frank Brehm for their help on this project.

Finally, our Roadmaster, Rod McClure, has been orchestrating a massive clean-up effort of the museum grounds. The Wheel Garden and associated parts field have seen a big change with useless and damaged items being disposed of and the area reorganized. The assorted parts along the rip tracks at the east end of the museum have also been cleaned up and removed and that area will soon sport new surface material to make a parking area for volunteers. The main parking lot's accessible spaces have also received some new surface material and leveling and will see more work in the coming weeks.

While it has been a lot of hard work, it is paying off. Both members and visitors are commenting that the museum grounds are looking better than they ever have. As we ramp up into the first phases of the facilities improvement plan and the building of new display tracks, a solid foundation for a clean and functional museum is steadily being laid.

Thank you to everyone who has helped out!

PRM Gift Registry

By Eugene Vicknair

Upon looking around the museum recently, I realized that our locomotives, cars and even the facility itself and the railroads of the Western Pacific family have seen many birthdays, anniversaries and other special events come and go. However, something was always missing.... PRESENTS!

If you would like to give a gift, please find something on the registry in your price range and purchase it for the FRRS. Then, you are invited to bring it to the museum and present it yourself or, if you are unable, we can help arrange shipping. And, if you can't decide what would be a good present, gift certificates of any amount are always welcome. Just send the gift certificate to the museum, care of Eugene Vicknair, Facility Manager.

The gifts listed in the current registry are:

1 – Table Saw capable of handling stock up to 4" thick

1 – Floor standing or work bench mounted Drill Press

1 – Radial Arm saw with a minimum 14" throw

1 – Router/Shaper Table with Router

2 – Vertical Belt Sanders

3 – 3 or 4 drawer Filing Cabinets

"Gorilla" Racking (this is the type of shelving system used in warehouse stores such as Home Depot and Costco)

2 sets of Sockets with Socket Drivers, 1/2" and 3/4" drive

2 sets of Adjustable "Crescent" Wrenches

Of course, since the FRRS is a non-profit organization, any gifts given are tax-deductible. Just send or bring a copy of the receipt and a thank you letter will be provided. All those who bring gifts will be recognized in the Train Sheet.

If you have any questions about the gift registry, or have a special gift you are thinking of giving, please contact the FRRS Facility Manager, Eugene Vicknair via e-mail at tsry@aol.com or drop a letter to the museum.

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May 4, 2002 6 p.m.

President Anderson called the meeting to order at 6:00 p.m. The following directors were present: Andy Anderson, Frank Brehm, Jan Breitwieser, Pat Brimmer, Kerry Cochran, Steve Habeck, Norm Holmes, Hank Stiles, Eugene Vicknair.

Visitors present: Dan Brady, Marta Egan, Rod McClure, Gail McClure, Judy McGrath, Jack Palmer, Alan Turner, John Walker.

CORRESPONDENCE:

Director Vicknair informed the Board he had spoken to several members who called regarding the Zephyr Project and had very complimentary things to say about the museum in general, and specifically regarding the progress with restorations. One member indicated his excitement at seeing the Society represented again this year at Truckee.

CONSENT AGENDA:

Minutes – Approval of the minutes of the regular meeting held April 6, 2002.

Financial Reports – Profit & Loss report for the period Jan.-Apr. 2002.

Agenda Policy – Approval of proposed Agenda Policy distributed at April BOD meeting.

A & D Committee Report – Acceptance of committee findings on Sulzer locomotives.

Section 8 Housing Issues – Acceptance of report of finding authorized at April meeting.

Director Cochran advised he had several questions from the last meeting as Directors who were absent did not have some of the reports to review. He mentioned the updated code correction list and findings of the Member Misconduct Committee were of specific concern as it would be difficult to approve the minutes without that background. Alan Turner stated that Board members who did not attend the meeting do not vote to approve the minutes from that meeting. Only those present at the meeting know if the minutes are accurate or need to be corrected or amended. Director Vicknair said he would provide copies of the reports in question to Directors who were not present at the April meeting.

Director Cochran indicated that he had an additional question regarding a recommendation of the A&D Committee regarding deacquisition of SP 1215. He questioned if the restricted donations received for restoration of that locomotive had been considered. Rod McClure, Chairman of the A&D Committee, advised this issue was considered and the Board would have to decide if and when the time comes to act on deacquisition if donors would be offered their money back or what the disposition of those monies would be.

Director Cochran stated that per the minutes there was talk of the annual membership meeting committee. He requested they think about the Glad Hand Award in their plans. President Anderson said he was asked who selects the recipient of that award. Director Cochran stated previous recipients make that selection.

President Anderson advised the Board that Marta Egan, President's Representative, spoke with representatives of the housing authority regarding Section 8 concerns expressed at previous meetings. Ms. Egan reported she had spoken with Sandra Grimes, Ken Roller's case officer. She said there is nothing in their rules and regulations requiring Mr. Roller pay his share of the stated rent and that volunteering

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in lieu of rent was not an issue. Ms. Egan went on to comment that removal of Mr. Roller from the premises might not be a good business decision at this time unless there was a designated replacement for him. She felt it unlikely that there was anyone else locally who would be willing to open/close daily.

Mr. McClure asked that the findings of the A&D Committee be removed from the consent agenda for report later in the meeting.

Director Holmes advised that no financial report had been presented for review from the board and he was not comfortable addressing the item under the consent agenda as a result. Director Vicknair advised that the Financial Report would also be removed from the consent agenda and would be addressed later in the meeting.

Motion # 02-05-01

Motion to approve consent agenda, with the exception of the Financial and A&D Committee Reports to be addressed later in the meeting. Made by Director Holmes, second by Director Vicknair. All Directors present in favor. Motion carried.

OLD BUSINESS:

REPORT OF DIESEL SHOP SPECIAL COMMITTEE:

Director Vicknair passed out a diagram of recommended changes/upgrades to the diesel shop. He stated that he, Director Breitwieser, and John Walker looked at a number of issues with regard to that portion of the facility. The committee is recommending reconfiguration of the diesel shop as follows:

Phase I – Moving gift shop into the Beanery. Director Breitwieser would direct this phase including clean up and painting. As part of this process, they reconsidered the plan previously presented by Irene Hardister for a restaurant in the Beanery. It was decided that although the idea was exciting, the logistical and monetary issues presented were not something the Society was in a position to address. The current gift shop area could be utilized for a crew lounge and office space for Marta Egan.

Phase II – New informational displays and visitor welcoming area. Mr. Walker would direct this phase and would include new, better organized entrance area with display panels between the two house tracks inside the shop facility. They also recommend that track #1 be utilized for low rise equipment (such as handcars or speeders) and that track #2 house tall equipment set up for visitors to walk-thru.

Phase III – Area of existing gift shop, current restrooms, display area and hallway between them be investigated for demolition and reconfiguration as ADA compliant restrooms. Director Vicknair would spearhead this phase.

Timelines: Phase I to be pursued immediately, Phase II to be pursued toward the end of the operating season, and Phase III would be 2-3 years out.

FUNDING:

Requesting budget authorization not to exceed \$750 to be added to the existing facilities budget for pursuit.

President Anderson expressed two specific concerns: He questioned if the plan was to utilize volunteer help and if this would draw away from volunteers to address code compliance issues. Director Vicknair stated that Director Breitwieser would be handling the gift shop movement with volunteers. President Anderson indicated that code compliance was the priority. Director Vicknair agreed and advised that the movement of the gift shop could be held off until after this has been taken care of.

Judy McGrath questioned how many people would be working

in the gift shop/Beanery to watch for shoplifting. President Anderson indicated that one of the reasons for combining those operations was that it would take less manpower to operate both.

Director Holmes stated he was concerned about loss of meeting space. President Anderson and Director Breitwieser both said that the space utilization was manageable. Director Vicknair also said that because permanent changes were not being made, the shift back to the original configuration would be easy to accomplish.

Director Brimmer advised before he would vote in the affirmative, he would like to see a detailed diagram of what the gift shop/beanery would look like. He stated due to the short timeframe to review the issue, he would suggest it be tabled until the next meeting. Director Breitwieser said she did not feel that lack of diagram should delay the action, she would be willing to provide the requested information, and that the committee would be shifting the plan details as they go along to make it workable.

Director Cochran asked if thought had been given to where the model railroad would go as this work progresses. Director Breitwieser said that for now, it will remain where it is. Director Cochran asked about future plans for it. Director Vicknair indicated that several ideas had been discussed including temporary relocation to the current gift shop area or into the current display room. Evaluation of space use would have to come once the changes were implemented.

President Anderson asked if the Board would be amenable to accepting the concept of the proposed changes provided a diagram of the gift shop/beanery be submitted. Director Brimmer stated that he did not see the sense in voting on the concept as no work would be conducted prior to the next Board meeting.

Motion 02-05-02

Motion to table the proposed changes to the diesel shop as proposed by the Diesel Shop Special Committee until the June meeting. Motion made by Director Cochran, seconded by Director Brimmer. All Directors present voted in favor except Director Stiles who voted against. Motion carried.

FACILITY REPORT AND BUDGET INCREASE REQUEST:

Director Vicknair advised that as the previous agenda item was tabled, the budget increase request would be tabled until the next meeting. He further advised that additional code corrections have been resolved. A non-compliant light outside of gift shop has had the wiring removed. There is a strong possibility there will be two electricians at the facility over the Memorial Day Weekend to correct wiring in the Office car and remaining electrical issues. Plans are also to build the required ramp to the deck pending confirmation of plan approval by Michael Yarmey/City Building inspector. President Anderson has advised that most of the wood required for this has been gathered. Director Vicknair is also awaiting confirmation the City has inspected/approved the corrections to the gas line at which time required compliant conduit will be installed. President Anderson reported the City has been unable to locate the sewer line on property. He further advised that per the City Administrator, the Society should not be responsible for the cost of location of same. Director Vicknair said that he had also spoken with Rod McClure and Marta Egan regarding safety improvements. He has begun to investigate a number of the issues brought up including facilities based concerns and signage. Director Breitwieser asked if the electricians are volunteers. Director Vicknair indicated that we covered their expenses only during their previous visit and that issue had not been brought up regarding this trip.

A&D COMMITTEE REPORT:

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Moved from Consent Agenda: Rod McClure advised that the A&D Committee discussed the acquisition of the Sulzer Engines as presented at the April Board meeting. The unanimous vote was no. It was suggested the Society provide any assistance we are able to finding a new home for them. Director Holmes indicated it may be a moot point as he has not heard back from the individual who originally contacted him regarding this issue. Mr. McClure indicated there may be a pending offer for the Milwaukee U25B and he hopes to have additional information at the next meeting.

ROADMASTER'S REPORT:

Moved from Department Reports: Rod McClure advised that a track work weekend was held 04/27-28/02. Almost 50 ties, 15 gauge rods, and 13 broken joint bars were replaced. A complete bucket of tie anchors was also installed. There are roughly 35 additional ties to be replaced in the balloon track along with additional assorted broken/worn out items. There were 14 volunteers Saturday and 16 on Sunday. Five of those volunteers became new members, including one new life member. Mr. McClure stated that he was disappointed it seemed the same people participated as the last work weekend and he was hoping to see individuals from different departments out to help drive spikes next time. Mr. McClure also advised that the tamper should arrive in the next week or so. New batteries have been purchased for the burro and truck cranes—both are currently in service. Mr. McClure stated he worked out a trade with the scrappers contracted to remove the tracks for the UP in the Portola yard. He cleared the trade with President Anderson prior to finalizing the deal. In exchange for one of the Society's spare motor cars, we received 10 switch frogs (approximate value: \$1,000 each), six pairs of switch points including four nearly new (approximate value: \$400 each or \$800 per pair), eight stock rails with point guards (approximately \$100 each), three or four switch stands (approximately \$500 each), a variety of miscellaneous switch parts, and 40 grade #1 brand new ties. Total approximate value of track material: \$17,200. Director Holmes indicated that the motor car traded was a donation from the UP and worth approximately \$500 at the time of donation. Mr. McClure informed the Board that the Museum has been placed on the donation list for Cashman Equipment, the Caterpillar dealer for the State of Nevada. He also advised that the KTEH TV auction was held last week and he will check to see what the two Rent-a-Locomotive sessions donated auctioned for.

FUNDRAISING REPORT AND BUDGET REQUEST:

Gail McClure reported that the Funding Committee met on 04/07/02 to discuss several fundraising issues including a direct mail campaign, suggested donation from visitors, and ticket cost for train rides. She advised that Director Vicknair has been the lead on the design of the mailer with input from the committee. It was the recommendation of the committee to split the mailing into four waves thereby spreading the cost over a longer period of time and would include a pre-printed, pre-paid remittance envelope to encourage return of donations. Initial cost estimates are approximately \$1,800 per wave and the majority of which is postage. Director Stiles indicated we would only be responsible for the cost of the return postage on those envelopes return. Dan Brady said it would be well worth paying the cost for business reply mail for anyone willing to send us a donation check. Director Cochran asked if thought had been given to having this process become self-sustaining as the first return wave starts coming back. Ms. McClure indicated that this was one of the reasons the committee was recommending the mailing be done in waves. Director Cochran questioned if the Board was being asked to do something with the proposed mailing and budget. Ms. McClure responded that the committee was looking for approval to proceed as finances are a big issue right now. She indicated that Director Vicknair had done a very good, professional job with the layout and it

should generate financial support. President Anderson asked Mr. Brady, Treasurer if the funds were available. Mr. Brady indicated that we cannot afford not to pursue this as we need to generate revenue. Director Stiles stated he would front or loan the money to get this process moving. It was decided that the legal issues involved with such an agreement would be prohibitive. Judy McGrath questioned the inclusion of the turntable in a map on the proposed mailer. Director Vicknair indicated that this was part of a graphic of the approved Master Plan. Ms. McGrath stated that permission would have to be obtained to dig for that improvement. Director Vicknair said that this fundraising is for general purposes and is not tied to specific projects. She asked what would happen if someone returned a donation requesting that it be tied to that specific project. Committee members indicated that such requests would be honored unless we discover it could not be, in which case the donor would be contacted and advised that the project was not feasible.

Motion 02-05-03

Motion to accept proposal of the Funding Committee to move forward with direct mail fundraising campaign with source of funding to be provided from budgetary line item 67010-Advertising. Motion made by Director Brehm, seconded by Director Breitwieser. All Directors present voted in favor. Motion carried.

Ms. McClure advised that the Committee had reviewed the suggested entry donation. It is currently \$2 and the Committee recommended Board action raising this to \$5. The Committee also reviewed the cost for train ride tickets and recommended the Board raise this fee to \$5 for an individual and \$12 for a family. The Committee reviewed a fare verification system and was recommending wristbands that would make visual identification of payment very easy.

Director Cochran indicated that he was glad this issue was brought up as this was something he was planning on discussing as part of the Operating Department report. Director Breitwieser stated that the Committee had also discussed potential changes to the membership dues structure.

Motion 02-05-04

Motion to raise suggested donation to museum for entrance to \$5. Motion made by Director Cochran, seconded by Director Stiles. All Directors present voted in favor. Motion carried.

Motion 02-05-05

Motion to raise train ride fees to \$5 per individual and \$12 per family for an all day ticket. Motion made by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor, with the exception of Directors Brimmer, Holmes and Stiles who voted against. Motion carried.

Judy McGrath questioned if "family" was still defined as two parents and one child. Director Stiles indicated that family would be parents and children. He also questioned if the proposed rate was too high. Director Vicknair asked if there were more tickets were sold on average to individuals than families. Directors Stiles and Brimmer both advised more tickets sold to families. Director Holmes asked if tickets would still be sold or if just wristbands would be. Ms. McClure indicated wristbands would replace tickets. Alan Turner questioned what the cost to run the trains is. Director Stiles indicated that fuel/wear and tear runs approximately \$100 per day at a minimum. Director Cochran reminded the Board that crew lunches much also be considered and would run

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approximately \$25 per day per weekend. Ms. McClure indicated that the Committee is of the opinion that membership dues and levels need to be evaluated. Based on information tracked down by Director Vicknair and discussions with other groups indications are that membership dues are too low and the membership structure is complex. She indicated that the Committee will be looking at this and making recommendations to the Board at a future meeting. Director Stiles indicated that John Walker may have information regarding this also. Director Cochran asked if the Membership Committee would be consulted as there has been strong opposition to raising the dues. Ms. McClure said this would definitely need to be done in conjunction with the Membership Committee. Marta Egan advised the Board that the Committee was excited to discover we had a huge list of names from the guest register until it was discovered there are no addresses. A new format has been created that includes the request for this information and these names will now be included in the mailing list. Ms. McClure advised that she had attempted to track down addresses through the internet, however a random sampling of names indicate that the success of locating this information is less than 5%.

NEW BUSINESS:

OPERATING DEPARTMENT BUDGET:

President Anderson asked if questions regarding the operating budget had been addressed in previous discussions. Director Cochran advised it had not and he would like clarification from the Board and/or Treasurer if budget authorization meant he would not need to obtain additional permission to spend those monies as there are several items the department will require prior to the start of operations at the end of the month. Dan Brady, Treasurer asked that before any significant spending occurs it is either Susan Scarlett, Bookkeeper, or he be contacted. Director Cochran informed the Board that all of the batteries for the radios need to be replaced as none are holding a charge. He further advised that two batteries and three radios are missing. The anticipated cost to replace these all batteries is \$900. Director Brimmer asked if this would be something addressed by the purchase order system. Director Cochran stated that he wants to be clear that he can replace these required items immediately. Director Stiles indicated that the proposed purchase order system and past policy both indicate that if more than \$100 was to be spent, treasurer needed to be consulted to make certain that the cash was there to cover the expenditure. Director Habeck indicated that the radios used are of two types and the HT-1000s seem to be the batteries in the worst condition. Director Cochran agreed. He also reminded the Board that many members bring their own resources. Marta Egan recommended Director Cochran get with Mr. Brady after the meeting to work out the details and President Anderson agreed. Director Cochran further advised that lunch has always been provided in the past for the crews, and a refrigerator has been kept supplied with soda and water. He questioned if it was planned to continue to provide these items to the volunteers and stated that these costs were not included in the budget. These services had previously been provided by the operators of the Beanery and were now either provided by the Portola Frosty or Steffanic's Red and White. Director Breitwieser indicated she has a hot dog machine and can't imagine this could not be provided. Director Brehm asked if lunch would start being supplied for work weekends. He advised the Board he has participated in three work weekends where providing lunch and dinner for the volunteers had cost him a few hundred dollars out of pocket. He also stated he was aware Rod and Gail McClure are out several hundred dollars as well. Director Habeck indicated that the biggest problem in the past has been someone to man the Beanery. Director Brimmer indicated that there must be someone with a food service handler's license to provide food. Director Stiles and President Anderson indicated that if the food is being sold to the public it is required, if giving food to volunteers

it is not necessary per the Health Department. Director Brimmer indicated he had been told differently. Director Cochran said the logistics behind obtaining food from off premises was difficult as crews did not have time to get their meals, eat, and be prepared to be back on duty within the 30 minutes scheduled. Director Brimmer indicated he was always glad to have the bottled water available due to the age of the facility and concerns over the quality of the tap water. He stated that had spoken last year with the City Administrator who made arrangements to have the water tested and it was discovered the quality is fine. Director Cochran advised the Board he would proceed with the understanding that lunch would continue to be covered and he would speak with Mr. Brady after the meeting regarding funding for the batteries.

BOARD MEETING PROCESS/ACCESS BY DIRECTORS TO BOARD MEETINGS:

Director Cochran brought up this issue as a complaint. He stated there have been several Directors who have been left out of various Board meetings due to lack of telephonic connection allowing them to participate. He believes these facilities need to be made available and that the members who participate are not of the opinion the museum has to pay for this service. He asked that the Directors be given the opportunity to participate even if the individual has to pay for the call themselves and that it is a disservice to the Board and to the Directors who have been elected to represent the membership if not physically able to be present. President Anderson asked how the organization is to afford the cost. Director Cochran said that the Director absent would pay for the call. Director Cochran indicated services are available through MCI that allow him to add people to a conference call. Director Brehm indicated that the Society would have to purchase the appropriate equipment. Director Cochran stated that he is not suggesting that equipment be purchased immediately, but rather that it be looked into and addressed. He also stated that it has been suggested there was no phone service available in the facilities currently used for meeting and he feels that is not the case as it has been done before. The equipment was provided by the City Administrator and is no longer available. Director Vicknair advised that he believes he may have access to contacts with Polycom, a leading manufacturer of teleconferencing equipment. He will check to see if he can get a system donated that will connect through a regular phone line and will work in conjunction with the MCI call-in feature or another like it. President Anderson asked that Director Vicknair research this issue and provide a report at the next Board meeting. Director Cochran advised this would be fine. Director Stiles pointed out that the By-laws say that these accommodations may be done, not that it must be done. Rod McClure stated he would see if he could make arrangements to borrow a system from the UP Portola terminal.

TRUCKEE RAILROAD DAYS:

Director Vicknair advised had hoped to have the contract for Truckee Railroad Days available for Board review at this meeting, but was not able to obtain it in time. He stated that contrary to rumors, the event is on and will be held. One major change this year is that they will be opening the venue Friday for school age children to learn about railroad history. Another change is that Amtrak has signed on to provide a display train and will be promoting the event. Highlights of the report presented to the Board include no expenses to the FRRS for participation as Truckee will cover lodging for volunteers and security. The Union Pacific was thrilled with the FRRS participation last year and there should be no problem with our participation again this year. The body shop who was to provide painting of the SD-9 is still willing to honor the agreement to paint it in Black Widow colors provided the FRRS does all the preparation work. Truckee may be willing to participate in the prep work as they are excited about having a Black Widow unit present.

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Truckee Railroad Days is scheduled to be held September 6-8, 2002. Director Cochran reminded the Board that the free train ride tickets provided to visitors were designed to try and obtain information regarding how valuable our presence was last year and wanted to know if mechanisms were in place to track the response. Rod McClure advised that crew/train would have to leave September 3, 2002 and return September 11, 2002. He and Director Habeck would be the only crew on the train. Jack Palmer asked if it would be possible to arrange with UP to allow some of volunteers who are not employees to accompany the train. Mr. McClure advised that the Union Pacific has already voiced their opinion on this and the answer was no. Mr. McClure also advised that it was important to coordinate with the individuals involved with the RAL program to ensure there are no conflicts.

RISK MANAGEMENT:

Marta Egan advised that she had walked around the property looking to identify issues with regard to risk management. She contacted our insurance agent, Mike Deeble. He advised we have liability coverage in the amount of \$2 million per occurrence, D&O insurance coverage in the amount of \$1 million per occurrence, property (shop) coverage in the amount of \$320,000, contents coverage in the amount of \$600,000 with \$5,000 deductible. The annual cost for insurance is approximately \$15,000. Ms. Egan asked Mr. Deeble what the organization could do to best protect itself. He advised not having the facility open unless staff on site, plenty of signage, not allowing people on the equipment. When advised that allowing people is part of the experience we offer, he advised signage is the best defense. Ms. Egan also recommended that the outside phone be left open with notification that it is to be used for 911 Emergency calls only.

PURCHASE ORDER POLICY:

Director Cochran indicated that the new purchase order policy had been released, and he is aware that this was one of Marta Egan's duties. He was concerned about the fact that there is a policy enacted as of this meeting that the Board has not had the opportunity to review. He also pointed out that the Board has taken the position that issues such as these would be presented at one meeting and acted upon at the next. Director Brehm advised that he has expenses that are set such as postage. Ms. McClure suggested situations such as this could be covered by a blanket PO. Director Vicknair suggested that the Board live with the new policy for one month and bring questions for clarification or recommendation for change at the next meeting. Director Holmes stated that he felt the procedure was cumbersome. It was pointed out that purchase orders would only be required for purchases over \$100. A blank master of the purchase order was included in the proposed policy and copies can be made for use.

Motion 02-05-06

Motion for one month trial of purchase order system for resolution at June Board meeting. Motion made by Director Brimmer, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

TREASURER'S REPORT:

Dan Brady presented a Profit & Loss Report comparing revenue and expenses for the period Jan.-Apr. 2002 to the same period last year. He proceeded to highlight different items of specific concerns, however, the bottom line is that revenue is down compared to same time last year as are expenses. One issue that impacted the available cash is that the Society was required to pay the entire premium for insurance in one lump sum rather than being able to spread the cost over the year—new insur-

ance carrier required this be done. He expressed the continued need to watch spending and is encouraged that fundraising efforts are underway. Director Holmes asked why the cost for publications for the Train Sheet had increased to \$2,400 from \$500 same period last year. Mr. Brady pointed out that the Train Sheet was not being published on the schedule it was supposed to be last year. Marta Egan asked if Director Brehm was aware of any donations generated from the Train Sheet. Director Brehm stated that he would not see that as they are not returned to him. Director Holmes asked if there was some type of report indicating where existing funds were invested. Mr. Brady indicated that getting the information in a timely fashion was an issue. He has been donating his and his staff's time to accomplish this. The priority of information is cash flow, annual financial statement and tax return. Once done, adjusting entries can then be made and a meaningful balance sheet will be the result.

LEASE OF QUINCY 3 TO VIRGINIA AND TRUCKEE RAILROAD:

Director Holmes stated that at the last Board meeting, the Board agreed to trade the 80 tonner to the V&T in exchange for the Oroville turntable, however the 80 tonner was not serviceable at this time. Suggestion was made to lease the Quincy 3 to them for the summer while they continue work on the 80 tonner. Director Holmes advised he has been working on getting it in working order. He recommended that authority be given to secure a contract. Director Vicknair asked if there had been discussion of lease terms. Director Holmes indicated that he hoped the Board would discuss it at this meeting. Alan Turner asked if the FRRS had done other equipment leasing and was advised no. Director Holmes said that he felt the FRRS should be responsible for getting the equipment in running condition and the V&T would be responsible for maintaining it and would pay daily for its use. Mr. Turner asked what the cost would be to make the unit serviceable. Director Holmes advised he was unsure—he would need batteries and would likely need to have the automatic brake valve rebuilt. Director Holmes advised that he suggested \$50 per day and V&T would be responsible for transport as well as any liability issues. Mr. Turner advised that standard forms, including equipment leases, should be available at any stationery store. The Society would need only fill in the blanks with stated terms. He asked that he be informed of the terms and would be able to spend a short time reviewing the contract rather than extensive time drafting an agreement from scratch. Rod McClure informed the Board that he and Norm had spoken regarding a reasonable daily cost to the V&T. He said a full sized SD 40 leases for around \$475 per day. Mr. McClure stated he and Director Holmes also discussed providing the locomotive for the first 30 days at no cost as there would likely be "bugs" that would need to be worked out. Mr. Turner asked if this would mean the organization would absorb the cost of placing the engine in service. Mr. McClure advised that if we make the locomotive run, and it comes back in running condition, we have another unit that runs and can be used on property. Judy McGrath asked if we had a lease for the 2001 (during its time on the Yolo Shortline). Directors Vicknair and Brehm stated that unit was not a money lease, but a reciprocal service agreement. Director Stiles said that this issue should include Mechanical Department input and he was not consulted. He further stated that if he is to be held responsible for mechanical issues, then he should absolutely be in the loop. Dan Brady asked why the V&T could not purchase batteries and take the cost off the lease. Director Cochran asked if \$50 per day was too low. Mr. Turner advised that the Board should give authority to negotiate and enter into a contract. Director Vicknair asked if a special meeting could be held via telephone to give final approval to the contract. Mr. Turner said that if there was consensus among the Board to accomplish this, then the appropriate way to do it was to delegate the authority to a committee, subject to counsel's approval as to form and consistency with the terms as determined by the Board. The Board would also need to empower Director