

outcomes on inspections, title search and research into insurance and other costs.

Vicknair / Carter. Aye – 7, Nay – 0, Abstain – 0.

Motion carries.

Strategy Planning Meeting

- Recommendation to hold a Strategy Planning Meeting involving all directors, officers and managers to determine priorities for 2012 and beginning of 2013.
- Consensus direction to proceed.
- Director Vicknair to suggest times, locations and estimated cost at January BOD Meeting.

President's Report

- Written report provided.
- The UPY 1042, originally WP SW1500 1503, has now arrived on the property. As everyone knows now, this locomotive was donated by the Union Pacific. They have valued the locomotive at \$235,000.
- I am working with Rick Gruninger to review our insurance policy with an eye toward finding ways to reduce the cost of our insurance. I will report back to the Board when this is complete.
- The SP 2873 has a broken air compressor due to freeze damage. A plan is in place to have this repaired in the next few weeks.
- The Hospital arsonist has been sentenced. He is receiving 12 months jail time (including time served), 5 years restricted probation, has to registered as a convicted arsonist and will be receiving 1 "strike" under the California 3 Strikes law.
- Additional information given on sentencing of arsonist. Sentencing includes restitution and a keep-away order.
- Thank you given to Rod McClure for all his work in getting the WP 1503 donated. UP valued at engine at \$235,000.
- Thanks to all the Santa Train volunteers for all their work, including Steve Habeck and family, Duane Vanderveen, Debbie Baer, Feather River Rentals, Rick Gruninger and everyone who baked cookies.

Financial Reports

- Written report and financials provided.
- Reviewed financial report.
- Various collections and assets are safe and are in no financial danger. Donation of WP 1503 and loss of Hospital when figured in will leave a final asset total of nearly \$2.5 million. With donation, our IRS reporting will show a profit for this year.
- Cash on hand is insufficient and we need to bring in revenue.
- This does not mean we are near bankruptcy or any kind of default and does not mean we have any kind of accountability problem.
- James Mason loaned us \$15,000 interest free to cover

payments on Hospital clean up.

- Reviewed recommendations for improvements to admission capture, expense efficiency, company store and on-line store and fundraising.
- Discussion on Board fundraising will be part of Strategic Planning Meeting.
- Rod McClure, with donations he arranged, was effectively our biggest fundraiser.
- California Franchise Tax Board is going after unreported income, but we have been good at reporting income and payments to everyone and this should not present a problem for us.
- Will be talking to Chris Skow since payment is due for Railroad Days train.
- Signatures have been updated for RBC Investment Accounts in Reno. Steve Habeck to handle transfer of some money to cover bills.

Notices

- Tom Carter and Eugene Vicknair donated custom No Trespassing signs and are placing them around the museum.

Closed Session

Meeting adjourned to closed session at 1:59 PM and reconvened to open session at 2:01 PM. Director Vicknair reported following the closed session:

"The Board heard a report on a legal issue: FRRS v. Kasten / ITAC. No action taken."

January 2012 Board Meeting Motions and Actions Summary

Correspondance

- *Fundraiser* – good initial surge then slowing down. Over \$11,000 processed so far.

Motion 12-01-01

Consent Calendar

Motion to accept consent calendar and the minutes of the December 2011 BOD Meeting and December 2011 Special Meeting.

Vicknair / Monger. Aye – 6, Nay – 0, Abstain – 1.

Motion carries.

Strategy Planning Meeting

- Consensus to hold the meeting Feb. 11 at 6:00 PM after Board Meeting in Roseville.

Motion 12-01-02

Meeker Collections Donation Contract

- Written report and preliminary contract provided.
- Donation will be a fractional donation over 10 years.

- Agreement was drafted by Director Vicknair with input from Director Monger after meeting with Dr. Cheryl Meeker. Agreement is currently in legal review.
- Several items included at request of Dr. Meeker and required by fractional donation law.
- Two collections are being donated: WP Corporate Collection and Ken Meeker Photo Collection.
- Both collections has a no sale / deaccession clause.
- Director Monger has already completed a preliminary inventory on the Corporate Collection.
- Photo Collection is currently being scanned by Dale Sanders. Will be given to FRRS on March 11 or 12, 2012 along with scans.
- Questions about insurance, signatory on contract, revenue generation from collection.

Motion to approve the agreement as presented (version C) and designate Director Vicknair and Director Monger as signators on behalf of FRRS, pending legal review.

Cochran / Brehm. Aye - 7, Nay - 0, Abstain - 0.

Motion carries.

Motion 12-01-03

Revise Investment Signatures

- John Walker would like to not be on RBC account.
- Frank Brehm will be placed on account.

Motion to replace John Walker with Frank Brehm on RBC account.

Vicknair / Carter. Aye - 6, Nay - 0, Abstain - 1.

Motion carries.

Tool Loan Request

- Written report provided.
- We have received a written request from Folsom RR Museum to borrow tools from us.
- Director Cochran pointed out that we have a draft policy to not loan tools personally or organizationally.
- Motion made in June 2007 to create policy, but will of Board is to not loan.
- Based on draft policy and past practice, the Board gives consensus direction to respectfully deny the request.

Recommendations of Collection Committee

- Written report provided.
- Noted that some items are already up for deaccession and some have already been scrapped, sold or removed.
- Correction: the O&NW locomotive listed should actually be O&WN 3 / SP 5274
- Correction: RPO is UP 5810
- Noted that some engines are in RAL service now and possibly future RAL.
- Consensus to accept report and table to February.

Motion 12-01-04

Modifications to Admission Policy

- Written report provided of Business Practices Committee recommendations.
- Place larger signs with admission info and direction to the store and provide better guidance into store
- Train / encourage volunteers to greet visitors and direct them to the store to get admission. In particular, operations department crossing guards used on busy weekends should have greeting / direct visitors as part of their task.
- Charge full regular admission for Railroad Days.
- Set-up a staffed ticket and info counter in the parking lot at main walkway entrance and put up temporary barricades at other access points from the parking lot during events.
- Continue Trains Magazine discount / ad program.
- Add discounts for AAA and AARP members in exchange for marketing / notice in their publications
- Discussions about possible pushback from city concerning Railroad Days admission, expectation that attendance would drop dramatically.
- Opinion that we should have capturing admission from Railroad Days as a policy, but can negotiate how that is accomplished.

Motion to accept Admission Recommendations with caveat that we explore Railroad Days admission more in future.

Vicknair / Monger. Aye - 7, Nay - 0, Abstain - 0.

Motion carries.

President's Report

- Flat car "Big Red" is back from CSRM. IR loco unloaded successfully. Will be cleaned up and put in main building at backshop. Chains and tiedown gear for car will be picked up in early spring.
- WP 1503. UP removed SmartStart system which resulted in some disconnected wiring.
- Rod McClure, Gail McClure and Rick Gruninger looked at RAL costs and did full financial analysis. We need to look at raising RAL prices soon. Now looking at caboose train costs.
- RAL Rule Changes: 18 and older only. All RAL guests must have a seat. No caboose train moves while RAL is in operation.
- Insurance went up \$960 this year.

Financial Reports

- Written report and financials provided.
- 2011 Year End Report still being worked on.
- Cash is tight. \$7100 in operating account.
- Need to look at total costs for off-site shows, including incidental and secondary costs.
- Request that Directors increase their involvement in fundraising and income generation.

- Legal issues with Morgan v. FRRS lawsuit and Hospital clean-up costs hit our finances hard.
- Soliciting suggestions to reduce expenses. Board broke into small work groups to examine budget and come back with change suggestions.
- We will look more at fundraising in February.

Director's Reports

- *Holmes* - Norm checked with State Farm and they would not insure vacant, but would insure rented or pending rental. Received suggested comparable of \$28,000 to \$32,000.
- *Vicknair* – addition: Rick Gruninger researched insurance on donated house. House is not currently insurable on personal policy due to ownership by commercial entity. Our carrier will not insure a vacant residence, will insure rented property. Rick is checking with other carriers and providers.
- Suggestion to insure the Hospital vacant property under liability section of insurance. Consensus to proceed with that suggestion.
- Thanks to Norm and Eugene for work on the house.

Event Reports

- *WPRRHS Convention* – There will be no convention this year, focusing on 2013 Elko.

Closed Session

The Board heard reports on a Legal Issue, FRRS v. Kasten / ITAC and a Donation Issue, Meeker Collections. No action taken.

February 2012 Board Meeting Motions and Actions Summary

Recommendations of Collection Committee

- Written report provided.
- Discussion about definition of collections.
- Agreement that these are candidates for deaccession from permanent.
- Tabled to March to correct list and take final action.

Equipment Sponsorship Program

- Written report provided.
- Statement that there will be no "NASCAR" style branding on equipment.
- Question about tax implications and possibility of issues with taxes. Appears that tax issues are not a problem, but we will verify.
- Concerns about restricted funds. We currently accept restricted donations, this would be no different.
- Discussion about logistics issues.
- Recommendation to approve concept, move forward.
- Consensus direction given to move forward and approach person recommended by Chris Allan.

Caboose Train Schedule

- Revised schedule presented.
- Consensus that it looks good and that we proceed with plan.

Motion 12-02-01

New Account Signatures

Approve Steve Habeck, Rod McClure, Susan Scarlett and Eugene Vicknair as signers on the new BofA internet account.

Vicknair / McClure. Aye – 6, Nay – 0, Abstain – 1.
Motion carries.

Fundraising Program

- Written report provided.
- Suggestion to consider a fundraising program similar to one just implemented by Orange Empire.
- In first year, this program raised over \$130,000 for 2011 and \$130,000 pledged for 2012.
- Donors get invitation to special deals / events.
- Could use Roger Stabler's car for a program like this, if he agrees.
- Discussion about what benefits to offer, costs for the program. Need to gather more cost information. What could we offer that is similar.
- OERM established a minimum number to cover trips.
- Suggestion that we could piggy-back with AAPRCO trips in 2013 in Napa Valley.
- Consensus to gather more information and report back in May after OERM runs their first trip.
- Return to Board with full business plan.

February 2012 Minutes continued next issue...

Any member in good standing may request a complete copy of the transcript of board meetings from the Society. There is a nominal charge for each copy which covers postage and administrative costs.

The Train Sheet needs your photos and articles.

*If you are working on projects for the Society, volunteering on restorations, performing archives work, helping out at off-site events, etc., or if you get some nice photos of FRRS happenings that you want to share, please contact us to have them printed in *The Train Sheet*.*

Photos should be at least 5" high by 7" wide and 300 dots per inch. Articles should focus on FRRS related events, people or your own personal experiences with the Society.

To contribute, contact Editor Eugene Vicknair by email at trainsheet@wplives.org.