

**Feather River Rail Society
Board of Directors Meeting
May 1, 2004 -- 1 PM
Volunteer Lounge, Portola Railroad Museum
Portola, California**

President Rod McClure called the meeting to order at 1:10 p.m. The following directors were present:

Andy Anderson	Frank Brehm	Kerry Cochran	Norm Holmes
Gail McClure	Wayne Monger	Eugene Vicknair	

Directors Steve Habeck and Hank Stiles were unable to attend.

Staff present:

Dan Brady	Susan Scarlett	John Walker
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Visitors present:

Don Borden	Ed Wagner
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Closed Session

Meeting adjourned to closed session at 1:12 p.m. and reconvened to open session at 1:25 p.m. President McClure reported that personnel issues were discussed. Consensus direction was given, no action taken.

Correspondence

Director Cochran reported that a donation of a radio was made to the Society for use by the Operating Department and had written a letter of the thanks to the individual who made the donation.

President McClure passed around a flyer announcing the auction of some Budd passenger car equipment for review by the Board.

Consent Calendar

1. Minutes – Approval of the minutes of the regular meeting held April 3, 2004.
2. Financial Reports.

Motion # 04-05-01 – Removal of financial reports from the consent calendar. Motion made by Director McClure, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

Motion # 04-05-02 – Approval of consent calendar as amended. Motion made by Director Brehm, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

Financial Reports

Dan Brady provided a review of the financial status of the Feather River Rail Society including performance of investments (9.1 % rate of return), profit/loss, comparison of actual revenue/expense to budget. He asked that the Board consider a more aggressive investment strategy in the near future and advised that he has placed the proceeds from some matured investments in the Russell 3,000 Index fund which is already showing a positive return for the organization. He has also been placing some of these funds into inflation protected Bonds. The Board provided consensus direction to invest up to 15% of the Society's portfolio in equity investments.

Mr. Brady also requested the Board begin its budgeting process for next year no later than October.

Lastly, Mr. Brady reported that every three years, and by professional standards of the American Institute of CPAs, accounting firms must undergo audits for quality control at their cost to review financial statements prepared and internal processes. His firm underwent this process last summer and at his request, the FRRS Financial Statement was included in this audit. The firm received the highest marks possible and only one posting error was found in our statements. This error did not impact the overall bottom line of the statements.

Old Business

SP 0-6-0 1215

President McClure reported to the Board that work continues on the contract details for sale of the SP 1215. Offer is for \$40,000, FOB Portola, use of our flatcars for transportation, non-conforming material abatement, storage for up to one year at no charge, and liability issues.

Motion # 04-05-03 – Authority to proceed with sale and contract of sale pending legal review of same. Motion made by Director Anderson, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

Investment Committee

Item withdrawn by Director Holmes.

New Business

Wheelchair Modifications to MoPac 13878 Caboose

Director Vicknair requested the Board consider wheelchair modifications to one end of the MoPac 13878 Caboose to accept wheelchair passengers. Changes would include modification of the platform surface to ADA compliant materials, installation of gates, and tie-downs for wheelchairs. Estimated cost of the project would be \$2,500. He asked that the Board provide him authorization to proceed with engineering and purchase of materials. Further discussion included the need to paint the caboose once the modifications are complete, which would push the estimated cost of the project to approximately \$5,000.

Motion # 04-05-04 – Authorization to proceed with modifications to MoPac 13878 Caboose in an amount not to exceed \$5,000 with one half of funding to come from budget line item 70,000 – Facilities, General items and one half of funding to come from budget line item 56000 – Restorations, Major projects, and on a funds available basis. Motion made by Director Monger, seconded by Director Vicknair. Director Monger voted in favor. Directors Brehm, Cochran, Holmes and McClure voted against. Director Vicknair abstained. Motion failed.

Directors Brehm and McClure requested that a complete report including diagrams of the modifications and inclusion of painting expenses be included in this document.

Zephyr Project Fundraiser

Director Monger informed the Board of a unique opportunity to rent a car on a special San Joaquin Regional Rail Commission (SJRRRC) train to be run Saturday, August 7 from Lathrop/Manteca to San Jose in conjunction with the San Jose Jazz Festival. He suggested \$25/per person ticket with up to 130 seats available on that car. The SJRRRC has also arranged for half-price tickets to Great America which can be purchased through SJRRRC.

Motion # 04-05-05 – Accept excursion proposal with funding proceeds to benefit the Zephyr Project, with expenses to come from budget line item 56490 – Zephyr Project and revenue to go to budget line item 40490 – CZ Car/Silver Hostel, and with excursion to be organized by Directors Habeck, McClure, Monger and Vicknair. Motion made by Director Vicknair, seconded by Director Brehm. All Directors present voted in favor. Motion carried.

BREAK: 2:22 p.m. – 2:33 p.m.

Increase to Train Sheet Budget

Director Brehm presented a report requesting an increase in the Train Sheet budget to improve quality, get the publication out quicker and allow for reasonable, periodic color publication. He requested that based on a conversation with Dan Brady the item be tabled but kept under consideration for a future date.

Item of Urgency

Motion #04-05-06 – Consideration of item of urgency with respect to direction to financial and other institutions as to whom has authority to conduct business on behalf of the organization. Motion made by Director Vicknair, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

Motion #04-05-07 – Adoption of resolution that only the President, Vice-President, Treasurer and Assistant to the Treasurer are allowed to conduct business with any financial institution on behalf of the Feather River Rail Society. Motion made by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

Good of the Order

From the Membership

Museum Manager John Walker, on behalf of member Loren Ross, has requested consideration from the Board of installation of a GeoCache machine on the property. There is a group of individuals using GPS receivers, play a kind of "treasure hunt" game. There are approximately 320 sites within a 50 mile radius of the Museum and it could generate another 150 visitors a year. There would be no cost to the FRRS other than any prizes we would wish to donate to the game. Mr. Ross has volunteered to maintain the equipment involved.

Motion #04-05-08 – Allow placement of a GeoCache site in the picnic area. Motion made by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

President's Report

President McClure asked that the Board recognize Director Vicknair for all of the work he coordinated and completed with regard to the new ADA compliant walkways and caboose loading program.

WPRRHS 2004 Convention – The Society took four locomotives and two cabooses to Sparks for display during the convention. The Board wished to express its appreciation of the wonderful job done by Frank Beavers, Convention Chair 2004. The Convention was well received, members of the Board heard many compliments, and the convention experienced one of the highest paid attendances ever.

WP 805A – Water leaks have been solved, although there are still oil leaks and other little items that continue to be worked on. Special thanks go out to Dave McLain, Dwight Wetstone and Larry Hanlon who have put many hours in to her.

Scrapping of surplus/deassessioned equipment – Scrap is currently at one of the highest prices in recent years at between \$200-225 per ton. Several pieces of equipment will be run by the A&D Committee for consideration of scrapping them.

ARM/TRAIN Conventions – Request made for President and Director McClure to attend both the ARM and TRAIN Conventions this year. Consensus direction given by the Board.

Portola Railroad Days – Need to start looking at what events are to happen at the Museum for this event including Wine tasting, food concessions, model train groups, track building contest, motor car/hand car races. Also need to consider sponsorship issues.

Truckee Railroad Days – No word from the event promoters regarding a Truckee Railroad Days event this year. President McClure will give them until our next Board meeting to advise.

Annual Membership Meeting – Directors McClure, Brehm and Museum Manager John Walker will coordinate the BBQ and meeting.

Director's Reports

Director Brehm reported that a first edition copy of a book written by Jeff Asay, and to be republished with the author's permission by the FRRS was recently seen on e-Bay with a going price in excess of \$100.

Director Vicknair advised that he is working with Director Anderson as well as Rick and Tom Carter regarding the logistics of moving the Tidewater Southern Bunkcar the Board agreed to acquire.

Director Monger was looking for assistance in locating drop table parts for the drop table in the Stockton shops. The last known location may have been Roseville. Any information would be greatly appreciated.

Director Holmes reported we are down to three locomotives for the RAL program (were down to two). We do advertise six available, although the caveat exists all are on an equipment available basis. He remains concerned about the operating RAL locomotive fleet. He also advised that at the time of the CZ excursion done in conjunction with the WPRRHS Convention, he asked several people for painter Raymond Franklin's phone number, but felt he got the run-around.

Director Anderson reported that Quincy 4 was loaded, chained down and should be on her way shortly. He also spoke with the Plumas County Sheriff's Department and they have graciously agreed to pick up the smaller pieces of Magnolia Tower for transport to Portola.

Department Reports

Facilities – Director Vicknair requested volunteers and assistance to assist with completion of framing and electrical in the Silver Debris so that Director Cochran can get the sheetrock up. He also advised completion of the first phase of the ADA walkway/caboose loading gallery project. He specifically recognized the assistance of John Walker, David Barr, Frank Brehm, Steve Habeck, Rod McClure, Doug Morgan, and Jason Krois. Omega Industries also donated rubber track gaskets cut to the wrong size for the project but which will be of use to us for future projects at an estimated value of \$2,000. Of course, Ed Wagner is the driving force behind this project due to his generous donation.

Committee Reports

Elections – Election Committee Chair Ed Wagner reported at that time, we had a 43.75% rate of return on the ballots mailed to members. He asked for some direction regarding inconsistencies with regard to some of the ballots received back from members. The Board expressed their confidence in the decision of the committee and requested they handle the issue as they see fit. At the request of Mr. Wagner, the Board appointed John Walker, Don Borden, Don Nelson and David Epling, subject to reappointment if needed, as tellers for the election/ballot counting. Ballots are to be counted afternoon of June 4th at a time to be announced. Director Brehm also asked that the Board recognize Susan Scarlett for her diligence in maintaining the mailing list as there was only one ballot returned for insufficient addresses and it was an overseas member.

Magnolia Tower – President McClure advised that Magnolia Tower has been disassembled and is ready to be moved. It has been sectioned into pieces that will allow for a minimal amount of reassembly and is under guard on-site. The Tower will likely be loaded into a UP Gondola for transport and the smaller parts will be transported as previously reported. Special thanks were given to Doug Morgan for his constant supervision and dedicated work in coordinating the disassembly of the tower. Site committee will provide recommendations as to the tower's placement on the property.

WP Hospital Property– Director McClure reported that Dan O'Connor, member who gathered preliminary information for a structural analysis pending his licensure in California, has passed the necessary licensure exams and is now certified in both Nevada and California. A very detailed report and preliminary analysis will follow which will allow planning and fundraising to begin on the Hospital restoration project.

Legal Counsel Report

No legal counsel report at this time.

Status of Surplus Property Report

No Status of Surplus Property Report at this time.

Museum Manger Report

John Walker reported donation of a digital camera from George and Jan Breitwieser and him. Sales and RALs are picking up well. He reported someone is systematically going through all of the dead locomotives on the property, possibly looking for copper to salvage. Parking issues were discussed. Computer renovation project is continuing although there is a shortage of monitors. Shop clean up is going well and tool room is nearly complete with peg board racks. He specifically acknowledged Howard Hanson, Rick Edwards, Ed Powell and Doug Morgan for a good bit of hard work he has witnessed them performing. He also thanked Director Anderson for coordinating a donation of lumber and Director Holmes for clean up of the balloon loop as well as clean out of the MKT car.

BREAK: 3:30 p.m. – 3:47 p.m.

Closed Session

Adjourned to closed session at 3:47 p.m. and reconvened to open session at 4:18 p.m. President McClure reported a motion was presented and accepted regarding an offered donation of proprietary concern. Consensus direction given regarding an equipment issue, no action taken. Legal report presented, no action taken.

Other

No other issues.

Adjourn

Meeting adjourned at 4:20 p.m.
Next meeting: Saturday, June 5, 2004
Location: PRM Volunteer Lounge
Portola, CA

Respectively Submitted
Gail A. McClure

Motions and Actions Summary

Motions Passed

1. Consent Motions – Motion 04-05-02.

Minutes – Approval of the minutes of the regular meeting held April 3, 2004.

Financial Reports – Removed for Treasurer Report under motion 04-05-01.

2. Motions

Motion 04-05-03.. Sale of Southern Pacific 0-6-0 1215

Authority to proceed with sale and contract of sale pending legal review of same. Motion made by Director Anderson, seconded by Director Vicknair. All Directors voted in favor – Motion carried.

Motion 04-05-04.. ADA Modifications to MoPac 13878 Caboose

Authorization to proceed with modifications to MoPac 13878 Caboose in an amount not to exceed \$5,000 with one half of funding to come from budget line item 70,000 – Facilities, General items and one half of funding to come from budget line item 56000 – Restorations, Major projects, and on a funds available basis. Motion made by Director Monger, seconded by Director Vicknair. Director Monger voted in favor. Directors Brehm, Cochran, Holmes and McClure voted against. Director Vicknair abstained. Motion failed.

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Accept excursion proposal with funding proceeds to benefit the Zephyr Project, with expenses to come from budget line item 56490 – Zephyr Project and revenue to go to budget line item 40490 – CZ Car/Silver Hostel, and with excursion to be organized by Directors Habeck, McClure, Monger and Vicknair. Motion made by Director Vicknair, seconded by Director Brehm. All Directors voted in favor – Motion carried.

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Adoption of resolution that only the President, Vice-President, Treasurer and Assistant to the Treasurer are allowed to conduct business with any financial institution on behalf of the Feather River Rail Society. Motion made by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor – Motion carried.

Motion 04-05-08.. PRM GeoCache Site

Allow placement of a GeoCache site in the picnic area. Motion made by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor – Motion carried.

Actions and Notices

- Treasurer Dan Brady provided a review of the financial status of the Feather River Rail Society including performance of investments (9.1 % rate of return), profit/loss, comparison of actual revenue/expense to budget. The Board provided consensus direction to invest up to 15% of the Society's portfolio in equity investments.

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Next Board Meeting
Saturday, June 5, 2004 – 1 PM
PRM Volunteer Lounge
Portola, CA

respectfully submitted by Eugene Vicknair, secretary

June 4, 2004