

Minutes of Past Meetings

March 2, 2002

President Andy Anderson called the meeting to order at 1:02 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 was unable to attend.

Visitors present: Gary Hall, Gail McClure, Rod McClure, Judy McGrath, Keith Morrison, Matt Parker, Alan Turner, Ed Wagner.

CORRESPONDENCE:

President Anderson read a letter from Gene and Kathy Kirkpatrick. They expressed a great deal of interest in the organization as their father worked as a WP engineer in the 1930s and 1940s. Andy forwarded them information regarding the FRRS and the Portola Railroad Museum.

President Anderson also re-read the letter sent to the organization by Helen Kennedy and presented at the last meeting. The letter expressed appreciation for support of their grant project for production of a brochure in support of tourism in the Portola area. The letter also suggested the possibility of a \$100 donation in support of the project. Under Good of the Order, he suggested the board consider the possibility of making a \$100 donation in support of the Williams house and their project.

CONSENT AGENDA:

Minutes – Approval of the minutes of the Regular Meeting held on February 2, 2002.

Financial Reports – No financial reports presented.

There was discussion regarding corrections to the minutes of the February including two question marks used as placeholders and clarification of two additional discussions reported in the minutes. Corrections were made as noted by the Board.

Before moving to Old Business, Director Brimmer advised he had an agenda item of urgency he requested to present to the Board regarding the code corrections action plan. The item was specifically concerning item 16—Septic System. This item recommended pumping out and severing the lines to the septic tank to the Silver Debris and Silver Shower. He stated his concern was that caretaker living in the Silver Debris would no longer have waste disposal facilities. He also expressed concern that the organization has been receiving HUD Title VIII money for a portion of the caretaker's rent. Director Brimmer also stated that if this step was taken, if proper notice was not given, and if suitable replacement housing not secured, there could be legal consequences. He requested that Alan Turner provide a legal perspective.

Mr. Turner stated that there are emergency provisions which allow items not on the agenda to be discussed, however, the Board's first consideration should be if they wanted to take up the matter at this meeting.

Motion 02-03-01

Motion was made by Director Cochran to consider the matter of the proposed code correction to the septic system. Seconded by Director Brimmer. Item to be addressed under New Business.

President Anderson stated he has had several meetings with Michael Yarmey/City Building Inspector. He indicated he had procured five permits toward the code corrections.

OLD BUSINESS:

HIRING OF MARTA EGAN: Director Breitwieser advised that Ms. Egan's job description had been mailed to all Directors. That job description had gone through several revisions and the final version, along with the draft contract presented by Alan Turner was included in the Board packet for review. She indicated that the committee recommended a motion to adopt the job description, contract and hiring of Ms. Egan.

Mr. Turner stated that the Board's first item of consideration should be if the job description is keeping with what the Board envisioned.

Motion 02-03-02

Motion made by Director Stiles for acceptance by the Board of the draft job description presented for the position of President's Representative. Seconded by Director Breitwieser.

Discussion began regarding the motion. Director Cochran questioned the development of a work order system. Director Stiles answered that it would allow volunteers to track and work on items that need to be done. He also addressed a question raised by Director Vicknair regarding fundraising. Director Stiles indicated that Ms. Egan's fundraising responsibilities were specifically regarding writing a solicitation letter to seek donations the community and gain local support.

Director Cochran also asked for clarification on address change from the P.O. Box and if it was intended for just fundraising or all mail transactions. Director Breitwieser indicated this was only for fundraising as Ms. Egan's experience was donors would rather return donations to a physical address than a P.O. Box.

Director Brehm advised that this position is now described as reporting to the President and not to the Board. He also pointed out that the person to be appointed to this position was originally to write a business plan for the FRRS. Director Breitwieser replied that there was some concern that the strategic planning proposed by Gail McClure was where a business plan would come from and the committee did not want to step on someone else's turf. They also felt she would be better served by collecting information rather than developing the plan. Ms. McClure stated that this is not a turf issue and she had volunteered to step in to do it, however she would be willing to take a support role if that was the will of the Board.

Director Breitwieser suggested that the writing of the plan would fall under Gary Hall's responsibility. Mr. Hall indicated that the writing of the business plan was not Ms. Egan's strength and that Ms. McClure had the background for it. Director Breitwieser also indicated that Ms. Egan would have the responsibility to collect short and long term business plans from other museums for use in the development process.

Director Brimmer advised that the job description presented in the packet was not the final draft.

Director Brehm asked that the motion be held over until the next meeting for review of the final draft. Director Brimmer asked that this not be the case as Ms. Egan has made arrangements to move and be available to start in the position. He advised that the changes to the final draft were not significant changes. Copies were to be made of the final draft for immediate review and item will be taken up later in the meeting.

WP FREIGHT CAR ACQUISITION: Director Holmes advised that the initial e-mail sent out to potential donors for purchase of these two cars contained an incorrect description on one of the cars. Director Habeck pointed out that the correct description was posted to the same list the initial request was made on four days after that request. Director Brehm added that the only discrepancy was the car number, at no time was it represented that the cars were less than 20 years old—the equipment age

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issue was only discussed at the meeting.

Director Cochran indicated that it was his opinion that the membership could be confused by the minutes and that it is important we have current and correct information available.

Gail McClure stated that she took responsibility for the confusion as there were several concurrent conversations on the subject at the time and she was trying to capture them all for the minutes. Alan Turner advised that it is the responsibility of the President and Secretary/Recorder to maintain order to facilitate an accurate record of the meeting. He also stated that there should be no solicitation of funds without Board or committee approval.

Rod McClure questioned if there should be a committee these issues are run through. Mr. Turner indicated that solicitation of restricted funds should be governed by the Board to make certain it meets the organizations goals.

Director Brehm advised that the request for donations went out with approval by the president and was ratified at the next board meeting. Mr. Turner said that without a policy to support these types of issues, things fall through the cracks. He suggested that a policy stating that solicitation of funds are to be approved by the Board except for immediate action situations would address this.

Gary Hall advised that under the current organizational chart, the Administrative department is responsible for fundraising and there are procedures and guidelines in process to organize the structure. He also stated that it is the Board's role to review goals and financing when it comes to these types of issues.

President Anderson asked what mechanism should be in place to address this. Mr. Turner suggested a written policy. President Anderson asked that Mr. Turner or Mr. Hall write that policy for presentation to the board. Mr. Turner agreed he would do so.

Director Holmes indicated at this time he was satisfied his concerns had been addressed.

HIRING OF MARTA EGAN (CONT): Discussion returned to the draft job description and contract. President Anderson asked if the members of the Board had an opportunity to review the final draft of the job description for the position. Director Cochran stated that the job description and title did not match that given on the presented contract. Gary Hall advised that the correct job title is President's Representative and the appropriate corrections would be made.

Director Stiles called the question (Motion 02-03-02: Acceptance by the Board of the draft job description presented for the position of President's Representative.) Directors Breitwieser, Brimmer, Cochran, Habeck, Holmes and Stiles voted in favor of the motion. Director Brehm voted against. Motion passed.

Discussion ensued regarding the Employment Agreement. Alan Turner indicated that there were changes that needed to be made to the contract. He will make the change in title to President's Representative. There was a question regarding the proof of auto insurance clause in the contract, however Director Brimmer and Gary Hall indicated this had been taken care of.

Director Cochran asked for clarification of the difference between "employee" and "independent contractor" in the verbiage of the contract. There was some concern regarding liability and workman's compensation coverage. Director Breitwieser indicated that the position should not require this coverage. Director Cochran advised that it was his understanding that an employee would require this coverage while an independent contractor would not. Mr. Turner indicated that he would change the term "employee" to "contractor" and include a statement that the contractor would not be covered by workman's compensation.

Mr. Turner indicated that the motion to accept the contract could be made by stating the specific amendments to it as presented prior

to that motion being made. He stated the specific amendments as:

- Change in title to President's Representative
- Replacement of the term "employee" with "contractor"
- Change Attachment 1 to the contract.
- To include a reference in the contract stating that the contractor is not covered by workman's compensation.

Motion 02-03-02

Motion made by Director Cochran to accept the proposed Agreement for Employment with the amendments as stated. Motion seconded by Director Stiles. Directors Breitwieser, Brimmer, Cochran, Habeck, Holmes and Stiles voted in favor of the motion. Director Brehm voted against. Motion carried.

ADJUST ORGANIZATIONAL DESIGN: Gary Hall advised that it had been requested that Maintenance of Way (MofW) be placed as a department on the organizational charge. He recommended that this department currently exists under the Facilities Manager position and that it would be better suited to exist under the Operations Department. He recommended there be a motion forwarded to do this and explained that where there are specific departments needing to be created, they should be placed under key departments. Director Stiles stated he felt this was a great idea. Director Brehm indicated that we need the department as track work has been neglected for a number of years.

Director Cochran, Department Head, Operations, stated he had had a conversation with Rod McClure (Roadmaster/Department Head, MofW) and Director Habeck (Yardmaster) regarding placement of MofW under the Operations department. Mr. McClure stated he was in agreement and was willing to work with Director Cochran in this regard.

Motion 02-03-05

Motion made by Director Brimmer that a minute order approving a change in the Organizational Design Chart placing the Maintenance of Way Department under Operations, subject to presentation of a resolution regarding same. Seconded by Director Cochran. All directors present voted in favor of the motion. Motion carried.

REPORT ON JACK HATHAWAY DONATION: Director Cochran provided copies of the following: Notes from his conversation with Mr. Hathaway, letter sent to him by Mr. Hathaway, motion regarding the cars from June 1997 and questions regarding donation.

Director Cochran stated that Mr. Hathaway made an unannounced visit regarding the \$40,000 received by the FRRS for the sale of two passenger cars he donated. Mr. Hathaway expressed concern that the money obtained from the sale of those cars was not being spent in accordance with his wishes. Mr. Hathaway stated he is very upset with the FRRS and has advised he wants to know what the money has been spent on or if it has been spent. He has been requested to provide a list of what he would like the funds spent on.

President Anderson questioned where any of those moneys have been spent. Director Cochran suggested Dan Brady/Treasurer might be able to provide an accounting.

Alan Turner asked if the donation was restricted. Director Holmes stated that it was not. Mr. Hathaway approached the FRRS and asked if we needed any passenger cars. He does not recall Mr. Hathaway placing specific requests on the donation.

Director Cochran advised that he was disappointed at the lack of specific minutes from the Board meetings during the timeframe of the sale of the cars. He advised he recalled discussion regarding asking Mr. Hathaway what he would like to have seen the money spent on. He also stated he would like to know where the original contract is. He said he does not have all of the information he needs and has told Mr. Hathaway

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he will have to get that information to be able to move this forward.

Director Stiles indicated he does not recall any agreement made by the Board with Mr. Hathaway regarding this issue.

Director Cochran asked that the meeting minutes reflect he did ask Mr. Hathaway to write a letter to the Board of Directors documenting his questions. At the time of the meeting, no such letter had been received.

Mr. Turner stated that as the donation was non-restricted, the FRRS should not be involved in conversations indicating any obligation to meet Mr. Hathaway's requirements. President Anderson asked if it would be appropriate to have Mr. Turner and Mr. Hall write a letter to Mr. Hathaway. Mr. Turner stated it would, and the letter would indicate that the FRRS is making a good will effort but is in no way legally obligated to meet Mr. Hathaway's demands.

Director Brehm suggested that Mr. Turner speak with both Director Cochran and Director Vicknair prior to writing the letter so he could obtain the necessary background to accomplish this task.

It was the consensus of the Board to have staff communicate with Mr. Hathaway to maintain goodwill.

Director Cochran also advised that a past edition of the Train Sheet spoke of a donation of model CZ cars and that Mr. Hathaway claimed to have spoken with Director Holmes who advised him there was no donation. Director Holmes did not recall any conversation in this regard.

It was decided this item would be left to counsel for resolution.

NEW BUSINESS:

CODE CORRECTIONS-ITEM 16, SEPTIC TANK: President Anderson advised the Board that based on his conversations with Michael Yarmey, it was his impression that Mr. Yarmey might be open to allowing the FRRS time to correct this issue. Director Brimmer asked if President Anderson should write a letter to Mr. Yarmey requesting an extension to allow time to correct the code violation.

Director Cochran stated he was shocked at the timeline given for the correction (timeline was for severing of the lines on the March 2-3, 2002 work weekend with tank to be pumped and removed or filled with gravel at a date to be announced later). He stated that operating weekends begin very soon and this would leave the crews without on-site facilities. Director Stiles suggested that a temporary solution could be provided in the form of plastic storage tanks such as are used on the railroad. Director Brehm reminded the Board that City code is the driving factor behind the corrections.

Director Cochran asked if it was the Board's intention to move Ken Roller, residence caretaker, from the property. Director Stiles said that no decision has been made in that respect. Director Cochran stated that no one has informed Mr. Roller of this and asked what should be done with him.

President Anderson stated he would write a letter to the City requesting an extension in the corrections deadline. It was pointed out that the two main complications of this correction is location of the sewer line through the property and obtaining permission from the Union Pacific Railroad to dig on property.

Director Brimmer stated that the two issues that he would like to see addressed at this meeting were if it was the intention of the Board to remove Mr. Roller from the property and how the issue was to be corrected. Rod McClure suggested that President Anderson pursue an extension to the corrections deadline which would give the Board time to decide how these issues should be addressed. Director Brimmer stated his strong belief it should be addressed at this time.

Director Breitwieser said that Mr. Roller has been part of the Museum for a long time and this should be considered. Director Stiles

reminded the Board that Mr. Roller lived in town for a number of years before living on the property.

Alan Turner advised the Board that they do have to abide by the code compliance obligations and that they would have to meet certain requirements for evictions if this is pursued. He recommended that we request an extension from the City advising them we need additional time to comply.

WP RDC ZEPHYRETTE ACQUISITION & RESTORATION FUND: Director Brehm informed the Board that a member had forwarded a check asking for a fund to be set up in an effort to acquire a WP RDC Zephyrette. Alan Turner reminded the Board any funds raised for this purpose would be restricted.

Motion 02-03-06

Motion was made by Director Brehm that a restricted fund be created for the purpose of acquiring and restoring an RDC Zephyrette pending recommendation of the A&D committee and approval by the Board. Seconded by Director Stiles.

Gary Hall advised the importance of a resolution and paper trail that is clear about what is being created and what the organizations responsibilities are with respect to same.

Director Stiles informed the Board that a member, Mr. Grasso, had called him and advised that he has already sent his check. Director Stiles gave him President Anderson and Director Brehm's telephone numbers to contact regarding support in the Train Sheet.

Mr. Hall advised that there is no clear policy regarding creation of funds in support of specific projects. President Anderson asked Mr. Hall if he was in a position to write such a policy. Mr. Hall advised he was not until the Board decides what the policy should be.

Director Brimmer suggested there was no action necessary until the A&D committee makes their recommendation and provides it to the Board. Director Brehm advised he would withdraw the motion but asked that the Board direct him how he should respond to the donor who has requested that information regarding support of the project be printed in the next Train Sheet. Director Brimmer stated that the donor be informed that his check would be held pending consideration of the project by the Board for approval, and that upon such approval, the information regarding the project would be printed in the next Train Sheet following the meeting. President Anderson asked Director Brehm to write the letter. Director Brehm agreed to do so.

LEASE OF LOCOMOTIVES TO THE V&T RAILROAD: Director Holmes stated he had received a call from Bob Gray regarding leasing of a locomotive as he will be unable to repair their steam engine prior to the start of their operating season and was interested in leasing a diesel locomotive they could use for that purpose. Rod McClure suggested that we donate the 80 tonner in exchange for the Oroville Turntable. Mr. Gray would be responsible for all repair and transportation cost. Director Holmes advised there is no certainty the locomotive will even run as it has been on property for 14 years and was likely in storage years before that. He also suggested that Mr. Gray be offered the opportunity to inspect it prior to any agreements being made.

Motion 02-03-07

Motion made by Director Stiles that offer to exchange the 80 tonner for the Oroville turntable be made to Bob Gray and the V&T Railroad. Seconded by Director Breitwieser. All Directors present voted in favor. Motion carried.

Letter to be written by President Anderson and Rod McClure under advice of legal counsel.

RESTRICTED FUND BORROWING: Alan Turner stated that there are

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many types of organizations that have primarily seasonal operations and have situations where they need funding to function in “dry seasons”. As a result there are certain limited purposes in maintaining integral operations which result in on going expenses where the organization can borrow from restricted funds without disturbing the intent of those who made those donations. The benefit to the organization is that this borrowing becomes a source of funding to maintain off season business and the benefit to the restricted fund is additional income through interest repaid in addition to the principle.

The end result is that the organization is making the funds work for the organization. He also cautioned that the obligation to repay funds is critical. Such a resolution would include a requirement that two-thirds of the Board would have to approve such loans, strict requirements for payback (six months maximum).

Mr. Turner pointed out that adoption of such a resolution should not distract from the Board’s obligation to develop fundraising, however, it give the organization an opportunity to continue operations while in the process of fundraising which should remain an absolute first priority. The ability to borrow against restricted funds would not be used for any acquisitions, only for keeping the doors open when the revenue is not there to support the overhead.

Director Holmes advised he is very concerned about the financial situation. He further stated that the Board does not appear to be receiving complete financial reports. President Anderson said he had spoken with the Society’s accountant and the year end financial reports will be out in June. Director Holmes advised that was not good enough and that if we can’t get timely financial reports we should ask for the treasurers resignation.

Gary Hall stated he had spoken with Marta and they will work together to bring these reports together in an income vs. expenditures report. He advised he has been working on a departmental budgetary reports. Director Holmes advised that his concern was how much money was in the bank and that no one seems to know.

Mr. Turner reminded the Board that this resolution is not saying there is no money available in the general fund. He stated it is simply a mechanism for the Board to operate if they learn they need money when revenues are not coming in.

Resolution 2002-01

Motion made by Director Cochran that the resolution be accepted as presented. Seconded by Director Brehm. All Directors present voted in favor. Motion carried.

GOOD OF THE ORDER:

PRESIDENT’S REPORT: President Anderson advised the Board he had obtained 5 permits from the City of Portola to facilitate code corrections.

President Anderson also advised that it was suggested that a \$100 donation be made to the William’s House Fund to further the production of their brochures.

Motion 02-03-08

Motion was made by Director Brimmer that a \$100 donation be made to the Williams House in support of their on going project. Seconded by Director Habeck. All Directors present voted in favor. Motion carried.

President Anderson announced that he has asked Rod McClure to be the FRRS liaison to the Union Pacific with all contact to be done through him.

DIRECTOR’S REPORTS: Director Cochran reminded the Board that the crew training was scheduled for the first weekend in May and he hopes

to have additional information available soon.

Director Brehm advised that the deadline for the Train Sheet passed 03/01/02 and there was only one article received—the article on the purchase of the two cars. President Anderson and Director Stiles apologized for not getting information to Director Brehm for the publication.

Director Breitwieser advised that Railroad Days is scheduled for the last weekend of July. The contract may be under an independent committee this year and they would like to have a representative from the FRRS in addition to herself.

Director Stiles advised that Board that long-time member had contacted him and wanted to meet with the Board after the next meeting to share his experience and knowledge with non-profit Boards. Director Breitwieser asked if this could be done in conjunction with the strategic planning. Discussion ensued regarding Director’s schedules and when strategic planning could be done. It was decided that the strategic planning be held 04/06-07/02 in conjunction with the regularly scheduled Board meeting. Gail McClure will investigate options as to where the planning sessions can be held.

Director Brehm advised that the newest issue of the Headlight has been issued and received by the membership. He then proceeded to read a letter sent to Director Holmes by member Arthur Lloyd congratulating all involved with its production. Arthur Lloyd was a Western Pacific Vice President and is now the Executive Vice-President of the Railway and Locomotive Historical Society.

DEPARTMENT REPORTS: Gary Hall provided an Administrative Depart report. He stated his is working on an agreement with the military that they will take the tanks back. They are in the process of looking for another organization who would be interested in them. They would basically outsource them and they would then be able to include transportation and other expenses as part of the transfer.

Mr. Hall went on to advise the Board it was not their responsibility to run the departments. He also said that it is not in the Board’s capacity to tell Department Heads who they are to appoint to positions that fall under the Department. He stated that it was their responsibility to set policy and to appoint a president with strong management skills to run the organization.

Mr. Hall announced he was going to direct all Project Managers to provide the Administrative Manager with a minimum level of financial progress reports. At the same time, if those Managers were unwilling or unable to provide this needed reporting, he will make a recommendation to the President that the Manager be removed and someone else be appointed who will manage the project appropriately. He stated he was hereby notifying the Board that all FRRS records are kept by the Administrative Manager and that all original documentation of FRRS transactions are to be forwarded to the Administrative Department for filing administration. In addition, he stated all contracts, agreements and major purchases, like rolling stock, were to be coordinated with the Administrative Department.

Director Brehm pointed out that he, as a member of the Board, has not seen a job description for the Administrative Manager’s position to see if these responsibilities fall under the purview of the position. Mr. Hall stated that job descriptions are a wonderful thing, but that the organization does not have them for many positions including Director Brehm’s as Train Sheet editor. Director Brehm advised that there is a job description for the position of Train Sheet editor and it had been forwarded to Mr. Hall when discussions first began regarding the organizational chart.

Director Brehm asked where the files will be located. Mr. Hall advised he would be coming back to the board to speak on building or creating a reasonable office car with reasonable facilities to house them.

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He said that in the meantime, he would keep them at his residence until such time as this has been accomplished. He said this is the kind of organizational question the Board should pose to the President regarding his plans for record-keeping within the organization.

Director Brehm stated he is very uncomfortable with the records being kept at another private residence as the files are currently scattered as this has been an on going problem. Mr. Hall advised that he currently has all the records that were in the possession of past President Murphy. He stated he also has some of the records that were in the office car.

Rod McClure pointed out that a committee was appointed at the December meeting to assess what was in the files, sort through them and deliver a report. That committee had begun this process and were attempting to locate files that apparently were in Mr. Hall's possession. Gail McClure further advised that based on the preliminary assessment, it will likely take 600 or more man hours to set up a proper filing system.

Mr. McClure asked about the membership and their right to access the records. Mr. Hall stated that with reasonable notice, the records will be made available to any individual who requests them.

Director Cochran indicated that when he was appointed to revise the Bylaws in 1997-98, he requested copies of the originals and none could be located.

LEGAL COUNSEL REPORT: Alan Turner reported that the Chicago Court have allowed for the request for admission on the part of the FRRS's lawyer, meaning that there were a number of factual statements admitted by the court. There is no longer any argument that those facts as stated and it is likely that a request for summary judgment that is being pursued will likely be in our favor.

Mr. Turner advised that that there should be two standing reports on every agenda: Fundraising and status of surplus property.

OTHER: There was discussion regarding the RAL program. Keith Morrison advised there are four RALs currently scheduled in March. It was recommended that 921, 608, 2873 and 707 be prepared for service.

Director Holmes also advised that a tour group from the Bay Area Electric Railroad Association was scheduled in March 20th for a tour and train ride.

Mr. Morrison advised it would be helpful if he had a schedule of events, list of instructors and contact information for scheduling to avoid double booking appointments.

Ed Wagner advised he had a letter for presentation to the Board and due to the seriousness of the issue, he asked that the Board review it and advise if they would prefer he read it to the Board or if they would rather address it in closed session.

Upon review of the letter, Director Cochran asked that a committee be appointed to review this issue and report back in closed session. Alan Turner advised that in the absence of a policy, a committee be established to investigate, review and report back to the Board their findings.

Director Cochran advised he is not aware of a policy specifically regarding the issue at hand. President Anderson asked Mr. Turner if he should establish a committee. Mr. Turner advised that a disciplinary or Bylaw enforcement committee be appointed.

President Anderson asked Director Cochran if he would serve on the committee. He declined stating prior knowledge. President Anderson asked Director Breitwieser if she would serve. She stated she would. Director Brimmer was asked if he would serve. He declined. Director Stiles was asked if he would serve and he advised he would. Gary Hall was appointed as the final member of the committee. The question was raised by Director Brehm if Mr. Hall could serve as he was named in the document. Mr. Turner advised that as a staff member, Mr. Hall can serve as the committee is being asked for an investigation and

recommendation on the contents of the letter. Closed session is to be placed first on the agenda for the next meeting at 1 pm with general session to start at 1:30 pm.

Rod McClure asked for additional discussion regarding Winterail and the second scheduled work weekend. Director Stiles advised he had secured a table. At this time Director Breitwieser, Director Habeck, Director Stiles, and Rod and Gail McClure will be involved with manning the table.

Mr. McClure advised that the Tuesday prior to the meeting, he was present at a surprise visit from Union Pacific Vice-President Jeff Verhaal, Assistant Superintendent Bob Jones, Manager Train Operations-Portola Jim Ambrose and Manager Operating Practices-Roseville Dave Bowler. They spent an hour at the museum walking around the property with him and Director Habeck. VP Verhaal was very impressed with the restorations done on WP caboose 428, WP 707 and WP 2001. He said he felt UP 849 looked a little "shabby" and that if the Silver Palace was actually a UP caboose. He looked at the Wheel Garden outside the shop and asked if that was our scrap yard.

VP Verhaal stated several times that he gets over 200 requests per month for donations across his desk and advised that the UP has become very selective regarding who they donate equipment to as they have been embarrassed by many organizations they have given equipment to that has been left to rot or has not been restored. Restoration is a priority to the UP.

Mr. Verhaal said in front of all present that the Truckee trip done last year was done very professionally from an operations perspective and he received staff comments that everything went well and there should be no problem with doing a similar trip again this year. There is a good possibility that the Reno Branch excursion will happen once the branch has been cleared.

Mr. Verhaal also stated an interest in the Silver Hostel. He has utilized the Silver Lariat, sister car to the Hostel, and said he would much rather use the Hostel once complete. He also expressed that the UP 105 holds a special place for him.

Mr. McClure spoke to Mr. Verhaal regarding the WP Hospital Project and the Facilities Master plan. Mr. Verhaal expressed an interest and asked that information on both be forwarded to him and suggested the possibility of receipt of some funding from the UP Foundation for the Hospital Project.

Mr. McClure indicated that Mr. Verhaal had a close eye on the UP equipment on property. Mr. McClure stated he would like to see the Silver Palace repainted to UP yellow and believes he may be able to obtain the paint free of charge from Steve Lee in Cheyenne, WY.

Mr. Ambrose later relayed to Mr. McClure that Mr. Verhaal brought up the WP 428 later in the day, again saying how nice it looked.

Discussion ensued regarding the Funding Report and Fundraising Committee. It was agreed that Director Vicknair, Director Breitwieser, Jay Sarno, Gail McClure and Marta Egan had volunteer for that committee.

CLOSED SESSION: No closed session scheduled

ADJOURN:

Meeting adjourned at 4:00 p.m.

April 6, 2002

President Anderson called the meeting to order at 6:04 p.m. The following directors were present: Andy Anderson, Frank Brehm, Jan Breitwieser, Norm Holmes, Hank Stiles, Eugene Vicknair.

Directors Pat Brimmer, Kerry Cochran and Steve Habeck were unable to