

**Feather River Rail Society
Board of Directors Meeting
March 1, 2003 – 1 p.m.
Visitor Lounge, Portola Railroad Museum
Portola, California**

President Rod McClure called the meeting to order at 1:08 p.m. The following directors were present:

Frank Brehm	Kerry Cochran (Telephone)	Steve Habeck
Gail McClure	Hank Stiles	Eugene Vicknair

Directors Andy Anderson, Jan Breitwieser and Norm Holmes were unable to attend.

Visitors present:

Dave Epling	Vicki Epling	Alan Turner (legal counsel)
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Closed Session -- Meeting adjourned to closed session 1:09 pm. Open session resumed 2:05 pm.

There was discussion with counsel regarding options and legal liabilities. No formal action was taken by the Board.

Correspondence

Director Brehm reported he had been in contact by e-mail with the Burlington Railway Historical Society in response to a letter they sent regarding interest in forthcoming book on the Exposition Flyer. They have not responded. The author of the book has also been in contact with Director Brehm regarding information for the book and Director Brehm is working with him on it.

Director Vicknair advised he had received a letter from a member complimenting the Society on the progress made of late and included a donation with the letter.

Consent Agenda

1. Minutes – Approval of the minutes of the regular meeting held 02-01-03.
2. Financial Reports

Motion # 03-03-01 – Removal of the financial reports from the consent calendar. Motion made by Director Brehm, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

Motion # 03-03-02 -- Approval of consent calendar as amended. Motion made by Director Brehm, seconded by Director Vicknair. All Directors present voted in favor. Motion carried.

Director Stiles requested that **WPRRHS 2003 Excursion (New Business)** and **WPRRHS 2004 Excursion (New Business)** be moved up on the agenda for the convenience of the

presenter, Chris Skow.

WPRRHS 2003 Excursion (New Business)

Mr. Skow reported that as of the meeting date, there were 63 or 64 bookings for the "Domes Down the Valley" excursion being run in conjunction with the WPRRHS 2003 Convention. There are 80 seats available and he would be including this excursion on his spring mailing to over 65,000 domestic clients.

There was discussion regarding the last minute nature of this venture. Mr. Skow expressed his frustration with this as well. Background was provided regarding the Historical Society, Mr. Skow and our past excursion participation for the benefit of Alan Turner, legal counsel.

Motion # 03-03-03 – Run a tour in conjunction with Train Unlimited, Tours as outlined in the original proposal. Motion made by Director Stiles, seconded by Director Habeck.

Mr. Turner asked that a funding source be identified in the motion. He also questioned committing to the dollar amounts requested in the contract. Director Stiles and Habeck both explained that this is the normal course with respect to excursions and accept risk with the overall expected outcome being that the Society makes some money.

Mr. Turner also expressed concern regarding the last minute nature of the event planning.

Director McClure advised that there was a special events budget approved for this year and the excursion liability could be posted against this.

Mr. Turner requested that the motion include both the line item and that the exposure be documented in the motion and minutes as approximately \$1,400. He also recommended that the motion include direction to the Historical Society to fully support/promote the Zephyr Project and all proceeds go to this project.

Motion was amended as follows:

Motion # 03-03-04 – Run a tour in conjunction with Train Unlimited, Tours as outlined in the original proposal, with the current financial risk identified as \$1,400 and to be funded, if necessary from budget line item 54090 – Special Events Expenses. Motion made by Director Stiles, seconded by Director Habeck. All Directors present voted in favor. Motion carried.

WPRRHS 2004 Excursion (New Business)

Chris Skow reported that there are now three California Zephyr cars based in California – the Silver Rapids, the Silver Lariat, and the Silver Solarium. He presented a proposal that he would run an excursion, in several legs, from Los Angeles to Oakland, CA, then from Oakland to Sparks, NV to coincide with the opening of the convention. He would then run the excursion in reverse at the close of the convention. He has already locked in the cars for those dates.

The cars would then be available for display or Museum driven excursion during the convention in Sparks, particularly if we could get the 805-A, 925-C, 921-D and possibly the Silver Hostel to Sparks for the event. Possibilities exist for photo run-bys, dinner train or open public excursions over the Reno Branch with a "Mini-CZ Train".

Director Stiles recommended that President McClure and Mr. Skow start working on the details with reports back to the Board. Alan Turner recommended the reports be monthly and that the Historical Society be brought in so that they are not working against these efforts.

Break: 1:53 p.m. – 3:06 p.m.

Old Business

Lease of Quincy 3

President McClure reported that a settlement agreement had been negotiated as directed by the Board. The total repair receipts submitted by the V.&T.R.R., and that we were contractually obligated to pay were approximately \$7,900. This was negotiated down from the original \$12,000 submitted. Based on the \$7,900 submitted by the V.&T.R.R., less the revenue generated by their use of the locomotive under the contract, the FRRS would have owed the V.&T.R.R. \$1,000.

The settlement agreement would trade crane and operator time for the \$1,000 due the V.&T.R.R. This time would be used for the continued work on the 80 Tonner traded for the Oroville Turntable.

Alan Turner advised that the proposed contract appears to cover all of the bases. He said he would like to see it revised to include a reference to California Civil Code with respect to settlement of all claims, known and unknown, that it be stated the contract was to be governed and enforceable under the laws of the state of California and that any disputes are to be resolved in the Superior Court of the County of Plumas. He said he was not sponsoring or approving the contract as he did not draft it.

Motion # 03-03-05 – Motion to accept Settlement Agreement Contract with changes recommended by Counsel. Motion made by Director Habeck, seconded by Director Brehm. All Directors present voted in favor. Motion carried.

Condition of Quincy 3

Director Stiles advised that he, Doug Morgan and Jim Ley went to Virginia City, NV to inspect the Quincy 3. They were unable to start the locomotive as the batteries had been removed. He submitted a written report to the board expressing his concerns over the necessary repairs. He also advised that there be protections in any contract regarding necessary repairs and when the locomotive is not in condition to be run.

Further discussion ensued regarding the locomotive, its use in Virginia City, and benefits of an FRRS locomotive off property.

Alan Turner asked what the benefit of the continued lease arrangement would be to the Society. He advised that nice guy leases are of no benefit to the grantor. Mr. Turner further advised that groups in the lease business need to be prepared for the possibility of the total loss of the asset.

Director Stiles stated that he would not have a problem with the V.&T.R.R.'s continued use of the locomotive as long as the Society were to receive enough money from the continued relationship to properly repair the locomotive.

Director Vicknair said that based on Director Stiles' report, he had no faith or belief that the V.&T.R.R. had any intention of taking proper care of the locomotive. Mr. Turned also pointed out that there is no contractual incentive to protect the equipment.

Additional discussion continued regarding a new lease agreement for the Quincy #3.

Motion # 03-03-06 – Execute Settlement Agreement, then request return of Quincy 3 with reconsideration of lease upon repair. Motion forwarded by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor, with the exception of Director McClure who abstained. Motion carried.

New Business

PFE/WP 55742

Director Vicknair reported that member Tom Van Horne placed a notice on the WPList Yahoo Chat group that he had located a WP PFE reefer in very good condition. Director Vicknair, Eric Stephens (A&D Committee), and Chris Kapreilian who has had extensive experience with the evaluation of wooden structures/work went to look at the car and reported it is in much better shape than either of the two PFE reefers currently on property.

President McClure advised that he discussed this issue with Director Vicknair and recommended pursuit of alternative funding sources for transport and repair costs. The Board supported discussion with the current owners of the car regarding having the car remain at its current location until funds can be raised for this purpose. He was asked to report on this issue at the next Board meeting and to include possible transportation and tree removal costs.

Good of the Order

President's Report

President McClure reported that he had spoken Ed Wolverton/TankCom. The two Army tanks on property should hopefully be gone. It will not be Cal Poly San Luis Obispo, but to the Santa Maria Valley's Aerospace and Military Museum. There will be no cost to the Society.

He also advised the Board of a possible break-in at the Museum. There was a message on the answering machine indicating that one or more kids were in the Shop playing with the phones (it recorded a message between two kids, one of whom had picked up an on-site phone to answer and the message kept recording). Also, three times in the preceding three weeks, the facility and gift shop had been found unlocked. Director Vicknair also indicated that there have been two occasions when he has received telephone calls indicating that members had discovered the facility open and lights on late in the evening with no one there. Both times, it would appear Ken Roller was the last person on the property prior to these discoveries. As facilities manager, he advised he would be removing Mr. Roller's keys. He had previously discussed this with Director Breitwieser as Gift Shop Manager and she reportedly said she would have a conversation with Mr. Roller. Director Vicknair made her aware at that time that further incidents would result in removal of said keys.

It was also stated for the record at this time that the Facilities Manager is the only individual who currently has the authority to duplicate or authorize the duplication of keys.

President McClure reported that the 244 should be leaving the property in the coming weeks. The new forklift is still in Reno as all other attempts to get it over to Portola have failed for various reasons. RALs are gearing up again. Winterail is scheduled for March 8 and we will have a sales table as in years past. Lastly, he reminded the Board that the WPRRHS is scheduled for April 11-12 in Oakland, CA and he would like to see all of them there.

Director's Reports

Director Vicknair stated that he is trying to put out press releases on a monthly basis. He also spoke with Dan Brady who suggested we see if we can find an ad agency willing to do pro-bono work based on our non-profit status. President McClure recommended Director Vicknair look into this.

Director Habeck advised he has three sets of batteries charging and three locomotives from which the batteries were never pulled. He asked for an update on the RAL program. President McClure reported that Loren Ross had been requested by Director Breitwieser to take over the RAL Supervisor position and coordinate instructor schedules.

Alan Turner requested at this time that **Legal Counsel Report** be moved up on the agenda as he had another meeting to attend.

Legal Counsel Report

Mr. Turner asked for update regarding Budget process and was advised that a budget was approved at the last meeting.

He advised he does have copies of current Bylaws and should have a report at his next attendance regarding same.

Department Reports

The Zephyr Project

Director Vicknair reported that the first window has been purchased through his "Buy a Window" campaign on behalf of the Zephyr Project by the Wayne and Linda Monger.

He also reported we have received an invitation to send the 805-A and the Silver Hostel to an event later this year. He would have to have glass in the Hostel by the beginning of May. He said he would need about \$40,000 for the glass and dome work that would need to be done.

Director Stiles stated that there would need to be repairs done to the frame sag on the 805-A. He believes it would take about \$2,000 to do this work.

Director Vicknair also advised he has a line on approximately 80-85% of the missing parts for the Hostel and was looking for Board Direction to authorize spending approximately \$1,700 to travel to Montreal, Canada and North Dakota for this purpose. Director Habeck asked if the funds were available under the Zephyr Project.

Motion #03-03-07 -- Authorization for travel expenditure up to \$1,700 as provided in the Zephyr Project report, pending confirmation that those funds are available from the Treasurer, and under line item 56490 - Zephyr Project. Motion made by Director McClure, seconded by Director Brehm. All Directors present voted in favor, with the exception of

Director Vicknair who abstained. Motion carried.

Facilities

Director Vicknair stated that wood shop had been cleaned up with the assistance of Dave and Vicki Epling. Road signs/materials have been obtained. Work is to begin on repainting bathrooms. He is going to try and get Dave Bergman to participate in the replumbing on the drains for the shower car as part of the on going code corrections. He continues to work on the deck plans for conformance to code per the request of Michael Yarmey, City of Portola Building inspector.

Director Vicknair also reported a water break in the shower car. The leak has caused mold in the vanity and top and floor underlayment is disintegrating. He will make certain that there are specific de-watering procedures in place and spelled out before end of season shut down.

Committee Reports

Magnolia Tower

Director Vicknair advised that Amtrak has accepted responsibility for mediation/removal of all non-complying material from the building. The contractor anticipates completion of this work by the end of April. May should see the beginning of dismantling work. The society would be responsible for the cost difference between demolishing and dismantling of the tower.

Site Committee

Director Vicknair sent a site committee report to the Board. He was requesting Board approval for the modifications submitted including conversion of the Silver Debris into a crew lounge, conversion of the old gift shop into a visitor lounge, changes in display structure and other minor modifications.

Motion #03-03-08 -- Accept changes and modifications to the Site Plan as proposed. Motion forwarded by Director Brehm, seconded by Director Stiles. All Directors present voted in favor, with the exception of Director Vicknair who abstained. Motion carried.

Policies and Procedures Committee

Director Cochran provided a copy of the revised Alcohol and Drug policy. He asked for Board action to accept.

Motion #03-03-09 – Acceptance of Alcohol and Drug Policy as presented. Motion forwarded by Director McClure, seconded by Director Habeck. All Directors present voted in favor with the exception of Directors Stiles and Brehm who voted against. Motion carried.

Director Cochran advised that there were several policies forwarded to Dan Brady, Treasurer for review. He has signed off on them and should be returning them to Director Cochran at which time he will make necessary minor corrections and will present them to the Board for review.

Status of Surplus Property Report

Nothing to report.

Other

Director Vicknair presented a letter from Thom Anderson. A Mr. Charles Conrad, a former WP employee now living in Indonesia. He worked from 1967-73 as Training Coordinator and Personnel Officer. He has offered to donate materials including employee timetables covering the period 1918-1970, and several copies of official guides between 1959-83. He is requesting a life membership and copies of available back issues of the Headlight in exchange for the donation. John Walker, Archivist, has advised he believes this to be an equitable trade.

Director Brehm expressed his discomfort with these types of transactions as there are many members who donate materials and pay for their memberships.

Motion 03-03-10 – Trade materials for Individual Life Membership and one issue of each available back issue of the Headlight subject to inspection of materials. Motion forwarded by Director Stiles, seconded by Director Habeck. All Directors present voted in favor, with the exception of Directors Brehm and McClure who abstained. Motion carried.

Election Committee

Director Vicknair advised that due to short time lines, temporary changes need to be made to the currently accepted Election Policy. Discussion ensued regarding the best way to allow fair access to all in light of the late start this year.

Motion #03-03-11 – Temporarily accept the timelines as proposed by the Election Committee, for this year and this year only, in modification to the Nomination and Elections Policy. Motion forwarded by Director McClure, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

Adjourn

Meeting adjourned at 4:47 p.m.
Next meeting: Saturday, April 5, 2002
Location: PRM – Old gift shop.
Portola, CA

Respectively Submitted
Gail A. McClure

Motions and Actions Summary

Motions Passed

- Consent Motions – Motion 03-03-02

Minutes – Approval of the minutes of the regular meeting held February 1, 2003.

Financial Reports – Removed from Consent Agenda under motion 03-03-01

- Motions

Motion 03-03-03.. WP Convention Excursion 2003

Run a tour in conjunction with Train Unlimited, Tours as outlined in the original proposal. Motion made by Director Stiles, seconded by Director Habeck. Motion withdrawn for modification.

Motion 03-03-04.. WP Convention Excursion 2003

Run a tour in conjunction with Train Unlimited, Tours as outlined in the proposal given to the Board, with the current financial risk identified as \$1,400 and to be funded, if necessary from budget line item 54090 – Special Events Expenses. Motion made by Director Stiles, seconded by Director Habeck. All Directors present voted in favor – Motion carried.

Motion 03-03-05.. Settlement of Issues Surrounding Quincy 3 Lease to V&T

Motion to accept Settlement Agreement Contract with wording changes recommended by Legal Counsel. Motion made by Director Habeck, seconded by Director Brehm. All Directors present voted in favor – Motion carried.

Motion 03-03-06.. Lease of Quincy 3 to V&T

Execute Settlement Agreement, then request return of Quincy 3 with reconsideration of lease upon repair. Motion forwarded by Director Cochran, seconded by Director Vicknair. All Directors present voted in favor, with the exception of Director McClure who abstained – Motion carried.

Motion 03-03-07.. Zephyr Project Parts Trip Expenses

Authorization for travel expenditure for Director Vicknair up to \$1,700 as provided in the Zephyr Project report for parts inspection, pending confirmation that those funds are available from the Treasurer, and under line item 56490 - Zephyr Project. Motion made by Director McClure, seconded by Director Brehm. All Directors present voted in favor, with the exception of Director Vicknair who abstained – Motion carried.

Motion 03-03-08.. Site Plan Modifications

Accept changes and modifications to the Site Plan as proposed by Site Committee and presented by Director Vicknair. Motion forwarded by Director Brehm, seconded by Director Stiles. All Directors present voted in favor, with the exception of Director Vicknair who abstained – Motion carried.

Motion 03-02-09.. Alcohol and Drug Policy

Acceptance of Alcohol and Drug Policy as presented by Director Cochran. Motion forwarded by Director McClure, seconded by Director Habeck. All Directors present voted in favor with the exception of Directors Stiles and Brehm who voted against. Motion carried. Director Brehm. All

Directors present voted in favor, with the exception of Director Vicknair who abstained – Motion carried.

Motion 03-03-10.. Trade of Historic WP Materials

Trade WP materials for individual Life Membership and one issue of each available back issue of the Headlight subject to inspection of materials. Motion forwarded by Director Stiles, seconded by Director Habeck. All Directors present voted in favor, with the exception of Directors Brehm and McClure who abstained – Motion carried.

Motion 03-02-11.. Temporary Modification of Election Procedure

Temporarily accept the timelines as proposed by the Election Committee, for this year and this year only, in modification to the Nomination and Elections Policy. Motion forwarded by Director McClure, seconded by Director Cochran. All Directors present voted in favor – Motion carried.

Closed Session

Meeting adjourned to closed session to consider a personnel matter continued from previous meeting. President McClure reported that no action was taken with respect to the personnel matter discussed.

Items Postponed, Held Over or Continued

Quincy 3 Lease
Magnolia Tower
WPRRHS 2004 Excursion
Advertising Manager
PFE/WP 55742

Next Board Meeting
April 5, 2003 1 PM
PRM Visitor Lounge – Portola Railroad Museum -- Portola, California

respectfully submitted by Eugene Vicknair, secretary

March 31, 2003