

**Feather River Rail Society
Board of Directors Meeting
October 2, 2004
1 p.m.
Volunteer Lounge, Portola Railroad Museum
Portola, California**

President Rod McClure called the meeting to order at 1:20 p.m. The following directors were present:

Frank Brehm	Kerry Cochran	Steve Habeck (arrived 2:55 pm)
Norm Holmes	Gail McClure	Wayne Monger (arrived 1:44 pm)
Eugene Vicknair (by phone)		

Directors Andy Anderson and Hank Stiles were unable to attend.

Staff present:

Dan Brady	Alan Turner	John Walker (arrived 1:32 pm)
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Visitors present:

Rick Edwards	Greg Elems
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Correspondence

President McClure reported receipt of information regarding a sale of excess Amtrak equipment in Oakland. He gave the information to Rick Edwards for review.

He further reported receipt of a letter from the Sacramento Valley Historical Society entertaining offers to lease their 50 ton GE locomotive or their 0-6-0 Steam engine. The Board expressed no interest at this time.

Consent Calendar

1. Minutes – Approval of the minutes of the regular meeting held September 11, 2004.
2. Financial Reports.

Motion # 04-10-01 – Removal of Financial Reports from Consent Calendar. Motion made by Director Vicknair, seconded by Director Holmes. All Directors present voted in favor. Motion carried.

Motion # 04-10-02 -- Approval of Consent Calendar as amended. Motion made by Director Brehm, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

Financial Reports

Treasurer Brady reviewed the Investment Account performance, Balance Sheet and Income Statements year to date. Minimal change reported to the Investment Account in line with market performance. Balance Sheet review indicated that while spending is on budget, income was well below predicted. He normally recommends our entry into the "dry season" with a cash balance of \$50,000 and current cash balance is approximately \$18,000. There are certain adjustments to be made at year end which will increase overall income. Treasurer Brady reported the Income Statement reflects the same shortfall in revenue, mainly from a lack of projected donations, and lower than expected RAL revenue. Average donation per member is \$4.

Written reports were presented and reviewed by category.

Director Holmes pointed out a discrepancy between the reported dollars in the Temporarily Restricted and Permanently Restricted Funds. Upon review of the documents, Treasurer Brady was able to identify an account adjustment that he had in his records, but that had not been posted by the bookkeeper. He advised he would see this discrepancy was corrected.

Treasurer Brady provided a preliminary 2005 Budget and went over the basics of same based on past performance and anticipated performance for next year.

President McClure asked Director McClure to provide the Board with her thoughts regarding fundraising and another Direct Mail campaign. Director McClure advised that our return on the last series of fundraisers represented an approximate gain of \$.50 for each \$1 spent. She recommended purchase of a donor management software package. Director Vicknair, who has been working on the new proposed mail out, and advised he has ideas for cutting costs. President McClure asked that Directors McClure and Vicknair work on getting the mailing out before the end of the year.

Additional cost cutting measures and fundraising ideas were discussed, however, no action was taken.

2005 FRRS Calendar

Director Vicknair reported that other than the corrections previously noted, and certain of the Election process dates that had not been confirmed yet, no other corrections had been noted. President McClure requested that the May meeting needed to be moved to a later time. There was also discussion regarding extending the Operating Season by three weeks. The Board supported the extension with a note on the calendar indicating that operations after the Labor Day Holiday are pending weather and crew availability.

Old Business

Silver Lodge Sale Offer

Director Vicknair provided a comprehensive written report on the condition and possible purchase of the Silver Lodge. Other than the issue of money, he asked if there were any objections to negotiating a possible purchase of the car. The Board provided consensus direction to Director Vicknair requesting he pursue a reduction in the purchase price and a possible purchase option with the owner of the car.

Sale of SP Caboose 1337

President McClure advised he has been notified by e-mail that the FRRS reportedly does not own the SP 1337. He further advised that the interested purchasing party has a very limited budget for transport/purchase of same. He requested that this item be tabled until the November meeting. Director Holmes advised that he will do some research as he does recall clearly that the caboose was donated.

Rio Vista Equipment Movement

President McClure reported that the 44 tonners will need to be transported via flat car as moving them by truck is cost prohibitive. The SN caboose can be transported by truck as the moving dollies that plug into the draft gear have been located. Stairs and brake rigging will have to be removed. Estimated cost to truck the caboose is \$4,000-\$5,000. With regard to the equipment returning to Portola, crane costs to load the MRS locomotives are yet to be determined and we have yet to see the promised check from PG&E to offset these expenses. He anticipates the equipment moves as early as the end of October.

New Business

Truckee Railroad Days 2004

President McClure reported gross receipts for Truckee Railroad Days as \$6,285 not including our percentage of the gate intake or non-cash contributions. This is nearly \$2,100 higher than last year's gross. We were also able to bring home our SP Rotary snowplow on the return trip.

SP/Quincy 1100 Movement

President McClure advised that despite contact at several levels with the UP, they will under no circumstances entertain movement of friction bearing equipment on its own wheels. The SP 1100 has to be moved ASAP as SPI will not continue their lease of the line beyond mid-October and the equipment may become landlocked. The estimated cost to crane the locomotive onto a flat car is nearly \$10,000. The alternative is to contract excavation and ramp work for loading the locomotive at an approximate cost of \$5,000.

Motion # 04-10-03 -- Approval to proceed with movement of SP 1100, with a budget of \$5,000 from line item 52000 – Acquisition/Deacquisition, Other. Motion by Director Holmes, seconded by Director Brehm. All Directors present voted in favor. Motion carried.

BREAK: 2:42-2:55 pm.

Good of the Order

President's Report

President McClure advised member David Epling was contact by another member who advised he is retiring and moving out to the West Coast. He has offered to donate a

complete set up to install a live webcam at the Museum. We will need to obtain a DSL service connection to make it work.

President McClure also reported on the arrival of the SP Rotary snowplow and power unit. He and Director Habeck believe it should operate with a minimal amount of work. The snowplow was loaned to the Western Pacific in 1971 for use on the High Line and was the last time it was used in operating service.

Director's Reports

Director Holmes reported that he had a visit with Tony Azevedo, purchaser of the UP 737 locomotive and had pictures available of the locomotive and two cars currently at his facility.

Director Vicknair advised that he has had a couple of different truckers out to look at the Tidewater Southern bunkcar 0565-H. Loading is going to be more complicated than originally thought and we are currently awaiting a quote from Rushway Trucking. It currently appears that project is still within budget.

Department Reports

Facilities – Director Vicknair reminded everyone that volunteers are needed for the work week coming up and focus will be on the Silver Debris.

Committee Reports

Magnolia Tower – President McClure reported that the machine from inside of Magnolia Tower is current in the shop at the Museum. The gondolas loaded with the building await tie down and movement out of Oakland. Some of the machine parts are currently in the possession of member Vic Neves. Directors Vicknair and Monger were asked by President McClure to contact him regarding arrangements to get the parts to Portola.

Policies and Procedures – Director Cochran reminded all that every Director will need to make sure to bring their Policies and Procedures Manuals for the scheduled review of same the morning of the November Board Meeting.

Motion 04-10-04 – Addition of Item of Urgency discovered after publication of the Regular Meeting agenda. Motion made by Director Brehm, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

Motion 04-10-05 – Change of Regular Board meeting scheduled for November 6, 2004 to November 13, 2004. Motion made by Director Brehm, seconded by Director Cochran. All Directors present voted in favor. Motion carried.

November Meeting to be held at:
ACE Depot
949 E. Channel St., South Meeting Room
Stockton, CA

Legal Counsel Report

Legal Counsel to report in closed session

Status of Surplus Property Report

President McClure advised the Board that we are close to conclusion of possible sale of SP 4004 with additional information forthcoming at the next meeting.

Safety Report

None

Public Comments

Member Rick Edwards asked President McClure if any representatives from the Colfax Chamber of Commerce had been in contact with him as they are looking to start up a railroad museum. President McClure advised they have and he is currently awaiting a return call from them.

Notices

Work week – October 9-17, 2004 as previously reported.

Closed Session

Adjourned to close session at 3:15 pm and adjourned back to open session at 3:40 pm. Legal Counsel Alan Turner reported that the Board considered a number of items in closed session relating to museum property and litigation matters. Consensus direction was given as to both issues. No formal action was taken by the Board.

Adjourn

Meeting adjourned at 3:41 p.m.
Next meeting: Saturday, November 13, 2004
Location: Stockton ACE Depot
Stockton, CA

Respectively Submitted
Gail A. McClure