

**Feather River Rail Society
Board of Directors Meeting
February 7, 2004
1 p.m.
Oxford Suites Meeting Room
Roseville, 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 | Hank Stiles | Eugene Vicknair |

Director Habeck was unable to attend.

Visitors present:

| | | | |
|---------------|----------------|---------------|--------------|
| Alan Hirasawa | Barbara Holmes | Lonnie Miller | Linda Monger |
| Ed Wagner | | | |

Correspondence

No correspondence at this time.

Consent Agenda

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

Motion # 04-02-01 – Removal of financial reports from the consent agenda. Motion made by Director Anderson, seconded by Director Brehm. All Directors present voted in favor of the motion, with the exception of Director Holmes who voted against. Motion carried.

Director Holmes expressed that the Board does have a responsibility to monitor the financial condition of the organization and cannot do this without presentation of this reporting.

Motion # 04-02-02 – Approval of consent agenda as amended. Motion made by Director Stiles, seconded by Director McClure. All Directors present voted in favor, with the exception of Director Monger who voted against. Motion carried.

Director Monger stated that he had concerns that the minutes did not reflect accurate identification of equipment and their respective numbers for the record. Director McClure advised she was in agreement with his concern and expressed that she had made this request of Board members and guests on numerous occasions to little or no avail.

Budget Review

President McClure read a letter into the record from Dan Brady explaining how he had drafted the budget based on individual budgets submitted and expectations for the upcoming year. He strongly urged the adoption of a balanced budget and advised how the budget can be increased with an increase in anticipated revenue through grants and fundraising.

There were discussions regarding individual department budgets and how to better allow department heads to track their expenditures. President McClure also discussed individual budget categories and where these numbers came from as well as what can be done to increase/decrease them.

Directors Monger and Holmes discussed restricted funds and amounts in them. It would appear there is some discrepancy between what has been reported and what should be in them.

Director Stiles questioned why rubber tired equipment was listed under the Mechanical Department. President McClure reported that these items will be shifted to a separate Department.

Director McClure advised that she was concerned that many line items within Departments showed a zero budget, while the overall account had a dollar amount – she believed that Dan Brady was looking to have the account amount divided among the line items for tracking purposes.

Motion # 04-02-03 – Acceptance of proposed 2004 FRRS Budget. Motion made by Director Cochran, seconded by Director Brehm. All Directors present voted in favor with the exception of Director McClure who voted against. Motion carried.

There was additional discussion regarding the bookkeeping process and how the accounts are structured. Director McClure also recommended that the Board consider a Finance Committee to work with Mr. Brady and Susan Scarlett to resolve these questions.

Old Business

Review of Policies and Procedures

Director Cochran, at the request of Director Brehm, reviewed a listing of the Society's Policies and Procedures which expired last year.

There was some discussion with regard to having the policies/procedures changed to reflect a review date rather than an expiration date. Lonnie Miller recommended that each policy have an "effective date" with a policy to review them on a regular timeline. In this way, the policies don't expire if the Board does not have the opportunity to review and extend prior to that date.

Motion # 04-02-04 – Renewal of all presented policies for a period of four years with change of wording from "expiration date" to "effective date" with review date to be stated as four years from today. Motion made by Director Stiles, seconded by Director McClure. All Directors present voted in favor.

Discussion then turned to the Key Policy and Advertising Policy. Several recommendations were made to both which will be incorporated and presented at the next meeting. Any suggested changes to the Advertising Policy should be forwarded to Director Brehm.

Truckee and Portola Railroad Days

(Move from New Business to Old Business)

President McClure reported that Shirley Leschinsky has been hired by the Portola Railroad Days Committee to coordinate Portola Railroad Days. He and John Walker will participate on behalf of the Society and the Museum.

President McClure also reported he met with the Truckee Railroad Days representatives regarding this year's events. They do have plans to proceed with an event and the dates are currently anticipated as September 11-12, 2004. They are requesting our participation, but have no plans at this time. They are working with a developer who has purchased land for commercial development in the area and are hoping he will provide financial assistance for the event. President McClure clearly advised them he will be their only contact with respect to the Society's participation to avoid the confusion and issues that arose last year.

He asked that the Board consider if the Society wants to participate, and if we want to pursue the possibility of an excursion.

Consensus direction from the Board was to table the issue and direct President McClure to actively pursue disclosure of additional details regarding same.

New Business

Privately Owned Equipment

President McClure brought this issue before the Board again. He and Director Monger both advised this issue has solicited commentary by private equipment owners, although no specific details were discussed. Director Monger stated that there was question regarding ownership of the SP 1337 caboose by John Ford. There was also discussion regarding ownership of SP 4107 caboose used in the caboose train.

There was a past committee tasked with compiling information regarding private equipment on the property, but no specific records exist from that committee.

Director Cochran requested that the Board provide him any feedback on the presented outline so that he can draft a policy. Recommendations presented at this time included an annual payment rather than monthly, addressing appearance, address the policy as specific to rail based equipment, and liability issues.

Director Cochran also advised the Board he is working on a Collections Management Policy, which to some degree, overlaps with the issues presented by privately owned equipment on property.

Director Monger pointed out that he has 30% ownership in the ONW AS-616 3, which could also be an issue with respect to this piece of equipment. There is also the issue of the Feather River Shortline equipment, Doug Morgan's private and freight cars, the SP 1337 caboose which could still be owned by John Ford and SP 4107 which may still be owned by Vic Neves. It was also suggested that this policy address future allowance of privately owned be stored on the property in the future.

Good of the Order

President's Report

President McClure reported that the UP 4-4-0 737 was loaded in January and has gone to its new home. The trucking company came fully prepared to properly load the locomotive and it went very smoothly.

Seven sets of lightly used batteries were delivered to the property in January as well. All are in excellent shape. Director McClure clarified that the Board authorized purchase of six sets of

batteries, but the gentleman the batteries were purchased from included an extra set at the same price. Director Stiles requested a letter of thanks be sent to the seller.

President McClure stated the WP FP7 805 is alive – Dave McLain and Dwight (last name unknown) have worked many hours on her and the water leaks in the prime mover have been resolved. There is hope she will be able to make an appearance in Reno for the WPRRHS Convention in April.

The RAL Program is scheduled to begin March 1. Attention needs to be paid to getting the locomotives required up and running.

John Walker is back on property after a brief vacation. He has begun to clean up the property in anticipation of opening of operating season.

SF 999414 Caboose is currently in the shop for brake shoes and other assorted repairs before being sent off to its new home with UP 4-4-0 737.

We are still waiting to hear from Tankcom regarding the disposition of the remaining Tank on property.

Bill Wisneski/Alturas Museum will be making the necessary repairs to the Santa Fe Dinner and will complete the purchase.

President McClure also advised, unless there were objections, that he wanted to give the job of Advertising Manager to John Walker. Director McClure did mention that her only concern was the division of volunteer vs. paid time as the responsibilities of this position were not included as part of his job duties, and that if Advertising Manager duties begin to interfere with Mr. Walker's ability to complete his paid duties, another solution would need to be found.

Director's Reports

Director Holmes advised that he received an e-mail from the Shasta Cascade Wonderland wanting to increase interest in their webpage by awarding gifts to visitors. They were looking for donations toward this end. They provide advertising for local businesses and attractions. They also have a visitor's center in Redding. He suggested donation of an RAL combined with a night in the Pullman House Bed and Breakfast, which Jan Breitwieser has already agreed to.

Director Monger reminded the Board that the Spring 2005 ACE excursion train needs to be brought up to the San Joaquin Regional Rail Commission Board of Directors.

Department Reports

Operating Department -- Director Cochran reminded everyone that crew training weekend is scheduled for 05/01-02/04. This was announced in the last Train Sheet and will be in the next one as well. President McClure also reminded everyone that all volunteer hours need to be recorded.

Facilities Manager – Director Vicknair reported that work has been progressing on the Silver Debris. Interior is nearly gutted and reframing work has begun. Project has been on budget so far and he hopes to have the electrical work done by the beginning of March. He also reported on the walkway project, he received a final quote back and the cost was slightly higher than originally estimated. An additional \$6,000-7,000 would be required to complete the walkway to the parking lot and the estimated cost for removable concrete crossing panels would be approximately \$13,000.

WPRR Historical Society – Thom Anderson, Director of the WPRRHS, provided a written report for the Board's review. He also advised through Director Brehm, that he has received the advertising rates used by the Southern Pacific Technical and Historical Society. President McClure also advised he thanked Thom Anderson and the dedicated members of the Historical Society for meeting their commitment in having three Headlights out for 2004.

Director Holmes advised that Frank Beavers told him that he was not happy about a lack of publicity with respect to the Convention in The Train Sheet. Director Brehm reminded the Board that his responsibility is to edit The Train Sheet, not to write it. Director Brehm also advised that Mr. Beaver's submission was given to him after the deadline for the last issue and will be in this issue.

Director Holmes also reported that per Chris Skow, there are approximately 400 tickets sold for the CZ Train being run in conjunction with the convention. There were also discussions regarding the different excursions scheduled to be run. He brought before the Board a request from Mr. Skow for the Society to pay for transport costs of an FP7 from Vancouver, Canada to Oakland, CA. In return, it would be allowed to run on the train in CZ colors. The locomotive would then be moved by its owner upon completion of the trip from Oakland, CA to Fillmore, CA. Board consensus was not in favor of this proposition for a number of reasons and direction was not to pursue it.

Director Holmes also brought forth a request from Mr. Skow to run a photographer's special on the Reno Branch the opening Friday of the convention. President McClure advised that the UP would not allow any other trains on the Branch when the local was in operation, so Sunday would be the only day this might be possible. Construction issues with the Reno Trench Project would also prohibit any operations during the week.

Committee Reports

Election Committee -- Ed Wagner, Election Committee Chairman, presented a report to the Board regarding the status of this year's election. A written copy of the report was also presented. Clarifications regarding Election Policy were given to Mr. Wagner.

Safety Report

No issues have been reported since the last meeting.

Legal Counsel Report

No Legal Counsel Report at this time.

Status of Surplus Property Report

No Status of Surplus Property Report at this time.

BREAK: 3:14 p.m.-3:29 p.m.

Reconvened to open session at 3:29 p.m. and adjourned to closed session at 3:30 p.m.

Closed Session

Reconvened to open session 3:54 pm. President McClure reported that an equipment issue was discussed. Consensus direction was provided by the Board and no action was taken.

Other

No other issues brought forward.

Adjourn

Meeting adjourned at 3:56 p.m.

Next meeting: Saturday, March 6, 2003

Location: PRM Volunteer Lounge

Portola, CA

Respectively Submitted

Gail A. McClure

February 2004 Board Meeting
Motions and Actions Summary

Motions Passed

- Consent Motions – Motion 04-02-02

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

Financial Reports – Removed via motion 04-02-01.

- Motions

Motion 04-02-03.. 2004 Budget

Acceptance of proposed 2004 FRRS Budget. Motion made by Director Cochran, seconded by Director Brehm. All Directors present voted in favor with the exception of Director McClure who voted against – Motion carried.

Motion 04-02-04.. Policies and Procedures

Renewal of all presented policies for a period of four years with change of wording from “expiration date” to “effective date” with review date to be stated as four years from today. Motion made by Director Stiles, seconded by Director McClure. All Directors present voted in favor – Motion carried.

Actions and Notices

- Union Pacific 4-4-0 737 has been loaded and moved to its new home.
- Seven sets of lightly used Unipak locomotive batteries were acquired and delivered to the museum. Purchase authorization was for six, but seller threw in an additional slightly damaged set that is still usable.
- WP FP7 805-A is once again operational.
- RALs will begin March 1.
- John Walker is now Advertising Manager.
- Crew Training weekend is scheduled for 05/01-02/04.
- Work is progressing on Silver Debris Lounge and Phase 1 Walkways.

Closed Session

Reconvened to open session 3:54 pm. President McClure reported that an equipment issue was discussed. Consensus direction was provided by the Board and no action was taken.

Next Board Meeting
Saturday, March 6, 2003
PRM Volunteer Lounge
Portola, CA

respectfully submitted by Eugene Vicknair, secretary

March 2, 2004