

## **Mid-Continent Railway Historical Society, Inc.**

### **Minutes of the March 2011 Regular Board of Directors Meeting**

**Date:** March 26, 2011

**Location:** MCRHS Office Building

**Roll Call:**

**Directors:**

B. Anderson (By Phone)  
J. Bloohm, President  
S. Brist (By Phone)  
M. Deets  
J. Dillenburg, Parliamentarian  
B. Handschin, Treasurer (By Phone)  
R. McLeod  
C. O'Brien  
D. Schumacher, Vice President  
D. Scobie (By Phone)  
J. Sorrel (Absent)  
D. Viste (By Phone)  
A. Joyce

**Other Officers:**

K. Bauman, Secretary

**Guests:**

D. Meyer, Consultant  
J. Lentz, General Manager  
R. Kokemueller  
B. Schumacher  
Roland Lichter  
Linda Rowe

**Meeting called to order at 12:02 PM by President Bloohm.**

**12:04 PM** – M. Deets moves and D. Schumacher seconds to approve the agenda and allow the President the option to go out of order as needed to effectively conduct the meeting. Motion passed unanimously.

Next regular meeting of the Board will be June 25, 2011 in the Office Building at 12 noon

Reports of the Directors' work done for benefit of the Museum in the past quarter

**12:13 PM** – Minutes of the December 2010 Annual Board meeting stand approved as presented

**Results of Email Votes:**

Email vote to affirm that all Directors have received a copy of Mid-Continent's IRS form 990 and approve of its preparation by Wegner LLP, CPA's. 13 email votes in favor, passed unanimously.

Email vote to approve the Don Meyer Consulting Services Agreement MCRY-011C. 11 email votes in favor and 2 email votes against (J. Sorrel and A. Joyce), passed.

Email vote to approve the Jeffrey Lentz Employment Agreement MCRY-JL-001. 13 votes in favor, passed unanimously.

**12:15** – B. Handschin moves and J. Dillenburg seconds to ratify the results of the email votes.

M. Deets moves and A. Joyce seconds to amend the motion to strike the word “ten” from the agenda item for the results of the email vote for Consulting Services Agreement MCRY-011C.

Motion and amendment passed unanimously.

**12:18 PM** – D. Schumacher moves and B. Handschin seconds to approve the appointment of K. Bauman (chair), K. Hojnacki, and M. Deets to the elections committee. Motion passed unanimously.

### **Reports:**

**Treasurer’s Financials:** 2 million in projects that may need to be raised in short order. We need to set priorities and plan for fund raising.

**Manager’s Financials:** We are currently into line of credit by about \$188,000. However \$93,000 will be reimbursed by Sauk County for platform and depot yard work. The remaining approximate \$95,000 is our own debt; much of it is related to the Badger 2.

**Manager’s Reports:** There is an upcoming meeting of the Pink Lady Transit Commission that Jeff Lentz will be attending on Mid-Continent’s behalf. Fred Reardon estate update: the deed is now officially Mid-Continent’s and cash assets are in the Board designated account. Depot Platform project: the Contractors return Monday March 28<sup>th</sup>. We have paid about 51% of the costs to the prime contractor of the bid.

**Membership:** We have a total of 596 members across all classes, this breaks down into: Associate Members – 289, Regular Members – 119, and Life Members – 188. Unfortunately, in the past quarter we have lost four members from our ranks due to their deaths: Joseph Arena, William Heden, David Mewhinney and John W. Walker. In this quarter we have had two Associate Members who have applied to promote to Regular member status: John W. Lyon and Al Hintz. Both members have met the by-law required terms to be upgraded. Additionally we have 5 new Associate Members: Maurice Pendell, Richard Colby, Chet Hollister, Roland J. McEachron and William Rose.

**Management Committee:** Per the Board directive, work orders for Consultant D. Meyer were developed. First: Transition of management to J. Lentz. Second: fundraising for various projects based on board requirements. And the third: The Mazomanie project management. The Management Committee will start to take a larger role in promotion of Mid-Continent and it’s special events.

**B2 Arbitration results:** \$44,636 was awarded to Avalon by the arbitrator. Additionally, we had our attorney fees, after she forgave about \$22,000 in fees.

**CNW1385 Report:** President Bloohm has instructed project manager Mike Wahl to spend the remaining grant money on materials and other items. We still have approximately \$70,000 in State Money in the grant; plus approximately \$130,000 in the bank for the CNW1385.

**August Steam Event:** The Flag Coal #75 will be rented at \$1,000 per day, we will also be charged approximately \$2,000 for transportation, and we will have to pay for water and coal. \$1,500 is the approximate calculated cost for 1 day of the event. Currently approximately 30% has been pledged or donated as of the date of this meeting.

### **Unfinished Business**

Action on ST#2 owner's response to Steam Operations Corporation report

**1:29 PM** – B. Anderson moves and M. Deets seconds to reject the owner's response to the Steam Operations Corporation report dated 6-1-2010.

The Board raised the following concerns with the owner's provided response. The claimed mileage the locomotive ran at Mid-Continent is in contention. There was no mention in the report of standard methods or practice of repair to be used. The FRA is a minimum standard, or in other words, the maximum allowed defect. There was no mention of how items were to be repaired according to the CFR or AAR. The owner stated to the president that he may consider using the tender as is without repair at this time. And that Mid-Continent requires a locomotive that will last for the full 15 years of time on the boiler, without having to take the locomotive out of service for another major rebuild.

**2:17 PM** – (Vote on motion of 1:29PM) the motion passed with 9 votes in favor and with 3 against (S. Brist, D. Scobie and J. Dillenburg).

**2:35 PM** – J. Dillenburg moves and S. Brist seconds that the owner, R. Lichter, shall create a list of the remaining tasks for the ST#2 and to include in the list what the issue is, who will perform the repair, where the repair will be made, and to what standard the repair will be made. Motion passed unanimously.

### **New Business**

Rail and Switch replacement report provided by David Bierman:

**3:00 PM** – M. Deets moves and D. Schumacher seconds that we contact the Small Business Administration about the possibility of receiving an additional loan to fund the rail replacement. Motion passed unanimously.

**3:19 PM** – S. Brist moves and B. Handschin seconds to authorize president Bloohm to get firm numbers for wheel replacement and truck rebuilding on the DL&W passenger coaches and the DM&IR C-74. Motion passed unanimously.

**3:21 PM** – J. Dillenburg moves and S. Brist seconds that we instruct Road Master D. Beirman to draw up a bid packet for rail and switch replacement based on the estimate provided today. Motion passed unanimously.

**3:22 PM** – J. Dillenburg moves and C. O'Brien seconds that we direct consultant D. Meyer to contact the Wisconsin Department of Transportation about a possible Freight Railroad Infrastructure Improvement Program(FRIIP) loan and to research other funding sources. Motion passed unanimously.

By consensus of the Board, they would like the Superintendent of Operations, K. Bauman, to contact the Road Master, D. Bierman, about any steps needed to address any safety issues related to the current rail and wheel condition until the replacement project can be completed.

D. Scobie and B. Anderson left the meeting at 3:27 PM

### **Budget for 2011**

**3:43 PM** – M. Deets moves and A. Joyce seconds that we accept the proposed budget which excluded the designated Fred Reardon Estate monies. Motion passed unanimously.

By consensus of the board, Jeff Lenz will send Robert Ristow a formal thank-you for the inventory process for parts of the WC&C 1

**3:47 PM** – Schumacher moves and C. O'Brien seconds to approve the membership upgrades listed in the membership report. Motion passed unanimously.

President Bloohm turns the gavel over to Vice President Schumacher.

**3:55 PM** – S. Brist moves and J. Dillenburg seconds that we agree to the early termination of the anonymous estate trust. Motion passed unanimously.

Vice President Schumacher returns the gavel to President Bloohm

**3:57 PM** – S. Brist moves and D. Schumacher seconds that we will contact the Union Pacific Railroad about the donation of land in North Freedom that is part of the former Chicago & North Western right-of-way. Motion passed unanimously.

**4:00 PM** – S. Brist moves and C. O'Brien seconds to approve hiring Tracey Riley (Custodian), David Lee (Engineering), Richard Dipping and Owen Hughes (Restorations), and Russell Schramm and Richard Colby (Operations). And to further give the manager authority to approve the hiring of personnel for unfilled positions. Motion passed unanimously.

**4:05 PM** – S. Brist moves and R. McLeod seconds to approve the tactical plan and team for the WC&C1. Motion passed unanimously.

**4:10 PM** – R. McLeod moves and D. Schumacher seconds to approve the city water and sewer tactical plan and fundraising. Motion passed unanimously.

**4:18 PM** – M. Deets moves and A. Joyce seconds to approve the installation of both proposed alarm systems for the office and depot, contingent on donation of sufficient funds for all options listed, with priority given to the depot. Motion passed unanimously.

**4:23 PM** – S. Brist moves and J. Dillenburg seconds to board designate the tip money from first class and dinner trains to the CNW440 and SOO2017. Motion passed unanimously.

By consensus of the board, K. Bauman will put together a price and vender list for a new computerized ticketing machine, in order to have a program together if funding should be acquired.

**4:43 PM** – B. Handschin moves and D. Schumacher seconds that the SOO2017 air conditioning project be approved, contingent on funding being found. Motion passed unanimously.

**4:59 PM** – B. Handschin moves and M. Deets seconds to amend the previously approved budget by \$370 to purchase chairs and tables for the SOO2017 and CNW440. Motion passed unanimously.

**5:03 PM** – J. Dillenburg moves and A. Joyce seconds to adjourn the meeting. Motion passed unanimously.

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Approved by the Board at the June 25, 2011 Regular Meeting of the Board.

Kelly R. Bauman

Secretary

Mid-Continent Railway Historical Society, Inc.