

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

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

**Date:** June 25, 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  
R. McLeod  
C. O'Brien  
D. Schumacher, Vice President  
D. Scobie  
J. Sorrel (by phone)  
D. Viste (by phone)  
A. Joyce

**Other Officers:**

K. Bauman, Secretary

**Guests:**

D. Meyer, Consultant  
J. Lentz, General Manager  
R. Dipping  
L. Rowe  
R. Lichter

**Meeting called to order at 12:01 PM by President Bloohm.**

Next regular meeting of the Board will be September 24, 2011 in the Office Building at 12 noon.

**12:05 PM** – S. Brist moves and C. O'Brien 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.

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

**12:11 PM** – The minutes of the March 2011 Regular Meeting of the Board stand approved as corrected.

Email Poll regarding colored brick patterned asphalt or regular black asphalt, taken on April 26, 2011. 11 Directors voted in favor of regular black asphalt, with two Directors voting for colored stamped asphalt.

**12:12 PM** – D. Schumacher moves and D. Scobie seconds to affirm the results of the poll. Motion passed unanimously.

**Consultants Report:**

The Wagner foundation has been informed that we do not own the WCC #1 and as such they have declined to donate money to the WCC #1 project. Bill Buhrmaster has been informed of this, and after much thought has declined to donate the locomotive to Mid-Continent. With this in mind, the Wagner Foundation has requested to redirect the money they were going to donate to WCC #1 to the CNW #1385. In terms of the CNW #1385 we currently have \$52,000 remaining in the grant for the CNW #1385. To spend this grant money as quickly as possible we have DRM working on plan for restoration of CNW #1385's original tender. The Wagner's have already given us \$50,000 in a first installment of a \$250,000 pledge that is to be matched by Mid-Continent. However with this matching grant, we will not have to wait until we receive the match for us to spend the money. The DOT as stated that the remaining \$52,000 from the original grant may be spent on anything related to the 1385, with the exception of the engineering expenses, reports, and mechanical drawings. The grant is a reimbursement. Don Meyer has approached Tom Beal about serving as the honorary chairman of the fundraising campaign, and Mr. Beal is quite enthusiastic about it. The plan is this will be a million dollar campaign with any excess funds being setup as an endowment for the 1385.

For the WCC #1 project we do need at least \$18,000 to complete the front truck. There is \$7,000 in the steam fund specifically for the WCC #1 and there is other money we might be able to redirect to complete that portion so the equipment may be returned. The owner has been contacted about raising the remaining funds to complete the front truck.

**12:25 PM** – S. Brist moves and B. Handschin seconds to redirect the WCC #1 taskforce to the CNW #1385. Motion passed unanimously.

President Bloohm thanks Mr. Meyer for his fund raising efforts to the applause of the Directors.

Mazomanie continues to allow us to make inroads into funding sources in Dane County that we do not normally have access to in Sauk County.

**WCC #1 Report:**

This project is going on hold due to lack of a donor or other funding source. Much of the issues are related to people finding out that the locomotive is privately owned, this can be due to fear the locomotive will leave after it's rebuilt, and that the IRS rules have changed calling into question if the donation would be tax deductible. We still have an obligation to rebuild the engine however.

**Treasurer/Financial Report:**

We currently have a large amount of cash coming in. The \$209,000 from the anonymous trust is currently in a CD account that is distributed amongst several banks for FDIC insurance. In addition the \$116,000 from the Reardon estate plus an additional \$5,200 from the auction of household items has been added. Our line of credit is maxed out, but we have about \$90,000 coming in from the Sauk County reimbursement from the grant. We are likely going to need some of the money from the Reardon estate to complete the platform project, probably around \$35,000. By the end of the year we will be about \$100,000 short of the amount needed to complete the track work. Combining all current projects the board of directors will need to raise approximately \$800,000. To date we have had only one party make an offer on the Reardon house, but there have been two additional showings in the last month. We need to sell the house by September 1 to avoid additional utilities and snow plowing expenses.

**Managers Report:**

Weather conditions and contractor errors have caused platform reconstruction difficulties. The track rehabilitation project is starting. The Depot displays need more work. Offer of steam heat couplings from MTM. Publishing a list of volunteer opportunities. Ridership was down in May, but appears to be recovering in June. For the Flag Coal 75 event, we are about 42% of the funding goal has been reached. WSOR lease agreements need to be renewed on the transfer caboose, locomotive crane and boom car. Restrooms were repainted by donation from Jim Busse. Re-ditching of the roadway by the office has been completed. Marketing efforts are underway, attempting new online service and in a 24-hour period over 500 certificates sold. Jeff Lentz suggests in the future, we look to try the service in Chicago and or Milwaukee, rather than in the Madison area where we already have many forms of advertisements.

**PL #2 List of Remaining Tasks:**

There are concerns whether the Lindsey report has been answered and to what standards the repairs will be made. Is this going to be rebuilt to a 15 year standard? The board may not be willing to approve a lease unless the locomotive is inspected by someone with proper credentials. If the tender is used as is, who is going to pay for it if suddenly fails in the next few years. Mr. Lichter responded that he feels he would have to shoulder that expense. Jim Eng and Rick Peters will need to sign off that the rear draw bar casting is safe to use, as if the casting breaks the tender could separate from the engine causing damage to the train and severe injury or death to the engine crew. Mr. Lichter should continue working on the engine, and report to the board at the September meeting.

**Rail Replacement Project:**

Some of the preliminary work has begun. This was done because Knapp is here, they were able to start preliminary work saving us some mobilization costs. In consultation with Road Master D. Bierman it appears that Knapp provided us a lower rate than many other contractors are giving to other area railroads. We are taking advantage of this by getting some work done now. On the more expensive portion of the project D. Bierman is putting out a bid package.

**Wheel Replacement Project:**

This project is currently on hold, so that we can finish the railroad first, then work on the wheels. There are also a lot of cars on property that have good wheels of the correct size under them and they may be useable instead of buying all new wheels.

**President's Report:**

We can forgo batteries for the 7 this year. As they seem to have had no problem starting the engine this spring.

**Membership:**

We have 4 new associate members and no requests for upgrade.

**Superintendent of Operations:**

In response to the Board's request that Superintendent Bauman work with Road Master Bierman on any changes needed due to the weakening rail condition, a slow order of 10 MPH has been implemented from mile post 1.0 to mile post 2.0. With the permission of President Bloohm and Manager Lentz along with the agreement of

Restorations Superintendent Buhrmaster, the Freight House office is being turned into an office and training space for the Operating Department.

2:12 PM President Bloohm calls for a 10 minute recess.

2:23 PM Meeting recalled to order by President Bloohm.

**New Buisness:**

**2:26 PM** – S. Brist moves and B. Handschin seconds to accept with regret the resignation of Manager Jeffrey Lentz, and to express the Boards gratitude for his efforts over the last few months. Motion passed unanimously.

**2:28 PM** – S. Brist moves and D. Schumacher seconds to have President Bloohm act as Manager with input from the Management Committee. Motion passed unanimously.

**2:29 PM** – B. Handschin moves and R. McLeod seconds to remove Jeffrey Lentz and add Jeffrey Bloohm and Nancy Miller as signers on all checking accounts, CD's and the Line of Credit. Motion passed unanimously.

**2:31 PM** – B. Handschin moves and D. Schumacher seconds to pay the Reardon property utilities and taxes out of the Reardon fund. Motion passed unanimously.

**2:31 PM** – B. Handschin moves and D. Scobie seconds to designate proceeds from the Reardon household items auction in the amount of \$5,229.40 to the Reardon fund. Motion passed unanimously.

**2:32 PM** – B. Handschin moves and J. Dillenburg seconds to designate any proceeds from the sale of the Reardon real estate to the Reardon fund, and when sold to pay all closing costs out of the fund. Motion passed unanimously.

**2:34 PM** – D. Schumacher moves and R. McLeod seconds to designate the money from the Anonymous Estate in the amount of \$209,477.74 to the Anonymous Estate Fund. Motion passed unanimously.

**2:35 PM** – B. Handschin moves and J. Dillenburg seconds to fund the non-reimbursable portion of the depot platform project out of the Board designated Reardon funds. Motion passed unanimously.

**2:37 PM** – J. Dillenburg moves and B. Handschin seconds to fund the railroad track improvements, rail/switch replacement, surfacing, ditching, and culverts out of the Board designated Reardon and Anonymous Estate funds. Motion passed unanimously.

**2:38 PM** – D. Schumacher moves and A. Joyce seconds to increase membership dues beginning next year to \$40.00 for Associates and \$50.00 for Regular. Motion passed unanimously.

By consensus of the Board, the Secretary will develop a proposal for creating sub-classes of membership based on the classes defined in the bylaws.

**3:08 PM** – R. McLeod moved and D. Scobie seconds to require that all membership dues will be due on January 1<sup>st</sup> of each year those that join after the start of the year will have their dues prorated after June 30<sup>th</sup>. Motion passed unanimously.

**3:14 PM** – J. Dillenburg moves and B. Handschin seconds to designate the Mother's Day 2011 first class and dinner train tip money to cars CNW #440 and SOO \$2017. Motion passed unanimously.

**3:16 PM** – M. Deets moves and J. Sorrel seconds to direct the Secretary to not post draft Board of Director Meeting minutes to the member's website. Motion passed unanimously.

**3:21 PM** – J. Dillenburg moves and C. O'Brien seconds to suspend immediately the membership of Lovina Tisler for failure to pay private equipment fees. Motion passed unanimously. The President will inform Mrs. Tisler by letter.

**3:23 PM** – D. Schumacher moves and B. Handschin seconds to adopt the new reservation policy. Motion passed unanimously.

**3:33 PM** – A. Joyce moves and J. Dillenburg seconds to adjourn the meeting. Motion passed unanimously.

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Kelly R. Bauman

Secretary

Mid-Continent Railway Historical Society, Inc.

Approved by the Board of Directors at the September 2011 Regular Meeting