

Mid-Continent Railway Historical Society, Inc.

Minutes of the March 2009 Regular Board Of Directors Meeting

Date: March 21, 2009

Location: Baraboo Area Visitors Center

Roll Call:

J. Bloohm, D. Crary, D. Schumacher, D. Viste, E. Ellis, S. Brist, K. Keefe, J. Sorrel, M. Deets

Absent: J. Nelson, P. Weeden, B. Anderson, P. Swanson

Guests: B. Handschin, R. Ristow, D. Meyer

Meeting called to order 12:03 PM

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 efficiently conduct the meeting. Motion passed unanimously

The next regular meeting will be on June 20, 2009 at 12:00 PM in the Baraboo Area Visitors Center.

12:05 PM: The minutes of the December meeting stand approved as presented.

12:06 PM: S. Brist moves and D. Schumacher seconds to approve the appointment of B. Anderson (Chair), D Viste, and D. Meyer to a committee to meet with William E. Gardner, President and CEO of the Wisconsin & Southern Railroad Co. in regards to his comments from the December meeting. Motion passed with 8 yes votes and 1 no vote.

12:07 PM: M. Deets moves and D. Viste seconds to approve the appointment of D. Crary (Chair), D. Schumacher, and D. Bierman to the elections committee. Motion passed unanimously.

12:10 PM: D. Schumacher moves and D. Crary seconds to approve the appointment of J. Busse (Chair), K. Bauman, E. Ripp, J. Johnson, and J. Bloohm to the Camp Car committee. Motion passed with 8 yes votes and 1 no vote.

Reports:

12:13 PM: Financials

The 2009 budget proposal was done conservatively in terms of both income and expense. The SBA required higher flood insurance over what we had initially and they set the minimums we were required to carry; this increased the cost of our insurance. The Interest rate on our line of credit was lowered by the bank after the 1st of year. In terms of advertising, Paul was waiting for permission to create our yearly brochures which was delayed due to some questions regarding start date and prices. We are also still members of several groups, including the Baraboo Chamber of Commerce, the Greater Madison Convention and Visitors Bureau, ARM, TRAIN, and others. We do have some key demographics on our customers, and we have tried to keep that current. Generally we are trying to focus on young families. Taxable income, versus non-taxable is related to sales taxes. Gandy Dancer Festival is more related to building donor base, then creating income at the event, so finding true cost versus expense is difficult.

12:27 PM: Managers Report

The Chris Roeben Caboose eviction is proceeding. The information has been given to our attorney. But he has probably not been served yet. Chris Roeben has not been in touch to try to become current on fees either.

The consensus of the board is that to use our car jacks for light work such as lifting a car to lubricate center plates is fine, however anything beyond that we are to lease proper equipment.

Update on the Audit from last meeting. There are still some things not implemented. S. Brist would like authority to access the online financial reports as treasurer.

12:48 PM: D. Crary moves and E. Ellis seconds to allow the Treasurer access to our bank statements online. Motion passed unanimously.

S. Brist requests that Don investigate bonding the officers and employees.

M. Deets wishes to point out that Robert Ristow also helped with the loading of the Badger 2.

D. Viste points out that we shouldn't underestimate the free publicity based on the flood and recovery.

12:57 PM: Meeting with William E. Gardner, President and CEO of the Wisconsin and Southern Co.

Follow up to Mr. Gardner's presentation from the last meeting. D. Meyer reported to Mr. Gardner that the MCRHS Board was encouraged by his comments and wants to follow up with Mr. Gardner to see how he can work with him. Committee approved earlier today. Originally D. Meyer had tried to coordinate a meeting with B. Anderson and Mr. Gardner, but there

wasn't time for the three to meet. D. Meyer met with him at 9:00AM on Friday the 20th. Mr. Gardner gave the name of a Frank Huntington at the Wisconsin Department of Transportation for us to work with on and application through the FRIIP Program for our bridge. Mr. Gardner also reaffirmed he would swap out our 60 and 72 lb rail for 90 lb rail. D. Bierman states this is quality rail that we would want. Would need to be a quick turn over, but Mr. Gardner also reaffirmed that he would use his crews to swap the rail. In regard to the CNW 1385, the FRIIP money may not apply to MC. Our take on applying to FRIIP would be related to hauling rock from Quartzite Lake. Mr. Gardner will endorse our application to FRIP.

1:10 PM: E. Ellis moves and J. Sorrell seconds that S. Brist should be authorized to look into the possibility of legislatively available funds for the CNW 1385 restoration. Motion passed unanimously.

1:17 PM: SBA Loan

We had to re-file the lien on our deed. This change will put the mortgage on the entire property, not just the developed portion. The President and The Secretary had the new lien signed in front of notary on the morning of Friday the 20th. The register of deeds will send out the updated deed on Monday. With this paperwork, we have completed all paperwork required by the SBA. Because of the right-of-way titling this process has taken longer.

One other option is that we might qualify for a community development block grant from Wisconsin Department of Commerce. We have until April 2 to apply. D. Meyer will apply.

1:24 PM: Flood Recovery Update

Biggest issue yet is depot platform. D. Bierman is developing a plan for rebuilding the platform.

1:29 PM: Steam Status

The WC&C 1project is closed down at this time. Mainly, this is because the fund is out of money. This project is still probably around \$400,000 away from being complete.

In terms of the CNW 1385, we still have \$78,000 from the original grant and \$120,000 in the bank that is restricted for the 1385. Mike Wahl is working with Deltec to begin purchasing materials for the project to eliminate the \$78,000 before it disappears. Don has told Mike to make expenditures before the end of the month.

1:34 PM: Quarry

J. Nelson was going to create Map of water flow. This is an issue we must fix, because if we don't it will continue to wash out our track with each rain.

1:40 PM: Committee Reports

Camp Car Committee is still working and not ready to report.

The Security Committee is still working and not ready to report.

The Department Creation Committee:

The Committee asks if the BOD will provide additional input based on the handout given.

They will issue a final report at the next meeting.

1:51 PM: S. Brist moves and D. Schumacher seconds to approve the upgrade from Associate to Regular Member for Nick Verstein and George Popelka. Motion passed unanimously.

1:51 PM: Break

2:06 PM: Meeting called back to order.

2:17 PM: S. Brist moves and J. Sorrel seconds to approve the appointment of W. Buhrmaster (Chair), K. Bauman, M. Wahl, R. Dipping, M. Deets, J. Connor, and A. Eggert as voting members of the Collections Committee, and D. Meyer and L. Rosenow as non-voting members.

E. Ellis moves and K. Keefe seconds to table the Committee Appointment Motion. Motion Fails with 4 yes votes, 4 no votes, and 1 person not voting.

Vote on original Collections Committee Appointment. Motion fails with 4 yes votes, 4 no votes, and 1 person not voting.

President Bloohm turns the gavel over to Vice President Crary.

2:37 PM: J. Bloohm moves and K. Keefe seconds to keep W. Buhrmaster (Chair), M. Deets, R. Dipping, L. Rosenow, and D. Meyer as the Collections Committee. Motion passes with 6 yes votes, 2 no votes (J. Sorrel and S. Brist) and 1 person did not vote.

J. Sorrel and S. Brist both requested the minutes reflect they voted against the motion.

Vice President Crary returns the gavel to President Bloohm.

2:40 PM: S. Brist moves and M. Deets seconds to ask the collections committee to examine the two current collection policies and that they then return to the board with one unified collections policy, and that until the board acts on that policy the committee is to present no more large equipment dispositions. Motion passed unanimously.

2:49 PM: M. Deets moves and S. Brist seconds to amend the proposed 2009 operating budget to add \$600 per month for 12 months to the Repair and Maintenance section of the Mechanical Department budget for 2009. Motion passed unanimously.

2:50 PM: S. Brist moves and D. Schumacher seconds to approve the entire 2009 operating budget as amended. Motion passed unanimously

2:51 PM: D. Schumacher moves and M. Deets seconds to rescind the motion to recommend that the membership reject the change to article VI of the bylaws. (Requires 2/3 majority)
Motion passed unanimously

2:57 PM: M. Deets moves and D. Schumacher seconds to recommend to the membership to vote FOR the proposed by-law changes to Articles II, IV, V, VI, VII. Motion passed with 6 yes votes and 3 no votes.

3:26 PM: J. Sorrel moves and K. Keefe seconds to reject the bid from Gramling Locomotive Works L.L.C. for the purchase of CIPS #6 at this time.

3:26 PM: E. Ellis moves and K. Keefe seconds to amend the motion to allow the President to arrange for an informal appraisal of the CIPS #6 and all its parts. Amendment passed unanimously.

Vote on the amended motion to reject the bid from Gramling Locomotive Works, L.L.C.: motion passed unanimously.

3:31 PM: J. Sorrel moves and D. Schumacher seconds to reaffirm our commitment to returning steam to operation. Motion passed unanimously.

3:32 PM: J. Sorrel moves and D. Crary seconds to adjourn. Motion passed unanimously

Kelly R. Bauman

Secretary

Mid-Continent Railway Historical Society, Inc.

Approved by the Board at the 6/20/09 Board Meeting