Mid-Continent Railway Historical Society, Inc.

Minutes of the December 2010 Annual Board of Directors Meeting

Date: December 18, 2010.
Location: MCRHS Office Building
Roll Call:

Directors:

B. Anderson, (By Phone)
J. Bloohm, President
S. Brist (Arrived 12:18 PM, Seated 12:06 PM)
M. Deets (Arrived 12:03 PM)
J. Dillenburg, Parliamentarian (Seated 12:04 PM)
B. Handschin, Treasurer (By Phone)
R. McLeod (Seated 12:05 PM)
C. O'Brien
D. Schumacher, Vice President
D. Scobie (Absent)
J. Sorrel
D. Viste (Arrived 12:02 PM)
A Joyce

Other Officers:

K. Bauman, Secretary

Guests:

D. Meyer, General Manager
J. Lentz, Operations Manager
Robert Ristow
Scott Haumersen
Jay Slinde
Roland Lichter
Linda Rowe

Meeting called to order at 12:00 PM by President Bloohm.

Appointment of Directors

12:04 PM – B. Handschin moves and C. O'Brien seconds to appoint J. Dillenburg to the director seat expiring in 2013. Motion passed unanimously.

12:05 PM – B. Handschin moves and D. Schumacher seconds to appoint R. McLeod to the director seat expiring in 2012. Motion passed unanimously.

12:06 PM – D. Schumacher moves and R. McLeod seconds to appoint S. Brist to the director seat expiring in 2012. Motion passed unanimously.

12:07 PM – B. Handschin moves and D. Viste seconds to approve the agenda and allow the President to go out of order of the agenda as needed to effectively conduct the meeting. Motion passed unanimously.

B2 Arbitration Report:
Legal council has until January 14, 2011 to submit written summations. The Judge needs about 10 days to draft his opinion and make the final settlement. One decision has been reached already; and that is all remaining items belonging to the B2 and held by Avalon must be returned to MCHRS at Avalon's expense. The process will probably not be finalized until the end of January 2011

12:13 PM – The minutes of September 2010 meeting stand approved as presented.

Results of email votes regarding the B2 settlement offer, and the extension of J. Lentz's employment through December 31, 2010: Both were approved by all then seated directors.

12:15 PM – B. Handschin moves and D. Viste seconds to affirm the votes. Motion passed unanimously.

Election of Officers:

President Bloohm passes the gavel to Vice President Schumacher.

12:16 PM – B. Handschin nominates and B. Anderson seconds the nomination of J. Bloohm as President of MCRHS. J. Bloohm is elected unanimously and is seated immediately.

Vice President Schumacher passes the gavel back to President Bloohm.

12:17 PM – B. Handschin nominates and D. Viste seconds the nomination of D. Schumacher as Vice President of MCRHS. D. Schumacher is elected unanimously and is seated immediately.

12:17 PM – B. Handschin nominates K. Bauman as Secretary of MCRHS. K. Bauman is elected unanimously and is seated immediately.

12:18 PM – B. Anderson nominates B. Handschin as Treasurer of MCRHS. B. Handschin is elected with 11 votes in favor and one abstention, he is seated immediately.

12:19 PM – D. Schumacher moves and B. Handschin seconds to thank former director Jeffrey Nelson for his work as a director for MCRHS. Motion passed unanimously.

12:19 PM – M. Deets moves and J. Dillenburg seconds to make the registered office E8948 Museum Road, North Freedom, WI, the registered agent Jeffrey Bloohm, and official depository the Community First Bank, Baraboo, WI. Motion passed unanimously.

Unfinished business:
ST #2 the board is still waiting for a report to be submitted by R. Lichter on the repair effort in response to the Lindsey report. At this time R. Lichter wishes to wait until estimates are in. A response will be given to the board in time for the March meeting.

New Business:

There is currently an unused spare driving axle for the CNW #1385 that was purchased by mistake. J. Eng has estimated the fair market value of the axle at $1500. Because R. Lichter will need a new driving axle for ST #2, the question has been raised about the possible use of this axle.

12:33 PM – B. Handschin moves and S. Brist seconds to sell the axle to R. Lichter for the ST #2 as a credit towards the loan on the ST #2, pending the proper certification of the material. Motion passed unanimously

Audit Report Wagner LLP:

A draft of the audit report and draft of form IRS 990, which must be reviewed by the board before filling, was presented by Scott Haumersen of Wagner LLP. Their opinion of the audit was clean. The Fred Rearden estate has been beneficial but at this time is listed as temporarily restricted until received. The dispute with Avalon is currently shown as a debt at least until the issue is resolved. Income statement for this year showed us fully operational and that fares were up. Net assets have gone up as result of positives in unrestricted funds. Cash flow showed three main arms: operating income, investing, and financing. Permanent endowments have recovered their value as opposed to the negative values from the previous year. The mortgage comes due this year, but should be refinanced. The only deficiency the report is that we rely on Wagner LLP to create the financial statements but this is standard given the size of our organization, otherwise we have improved over previous years.

12:53 PM – J. Dillenburg moves and R. McLeod seconds to accept the draft of the Wagner LLP audit report, with changes made to the allocation of insurance costs to each department. Motion passed unanimously

New Business:

12:58 PM – J. Dillenberg moves and R. McLeod seconds that we hire Jeffrey Lentz for $36,000 per year with a contract to be negotiated by the management committee and approved by the board.

Anderson left 1:09 back 1:10

1:20 PM – Vote on 12:58 PM motion: Motion passed unanimously.

1:22 PM – D. Schumacher moves and J. Dillenburg seconds to approve the contract mcry-011 for consulting services of Don Meyer.

1:31 PM – S. Brist moves and D. Viste seconds to amend the 1:22 PM motion to change the ending term to midnight January 31, 2011 .

1:42 PM – D. Viste withdraws his second of the amendment. M. Deets makes a new second to the amendment.

Motion on the amendment passes with 2 votes against.

1:43 PM – The main motion passes with one vote against.

Managers Report:

Depot platform; the majority of the track work is done. They will dig the footing for the platform on the east side north of the depot. And they plan to start construction to get ramps and concrete in before snow train. Will not begin the headwall between the platform and track until next spring, so extra care will need to be taken when boarding passengers in February.

New Business:

2:10 PM – S. Brsit moves and C. O'Brien seconds to table the budget until the March meeting. Motion passed unanimously.

2:11 PM -- M. Deets moves and J. Sorrel seconds to designate the funds from the Fred Reardon estate into an account setup for such. Motion passed unanimously.

By consensus of the board, management may put the funds in an account that meets the best interest of the society, so long as it is properly insured.

2:18 PM – S. Brist moves and C. O'Brien seconds to designate the funds from onboard water sales to the steam fund and the interest from the MCRR foundation to the 988 fund. Motion passed unanimously.

2:19 PM – S. Brist moves and B. Handschin seconds that Jeffrey Lentz be allowed to be a signer for checking and bank accounts on behalf MCRHS. Motion passed unanimously.

2:23 PM – S. Brist moves and A. Joyce seconds to accept the Leah Rosenow resignation with our thanks for her work on behalf of the society. Motion passed unanimously.

2:25 PM – S. Brist moves and D. Schumacher seconds to approve the Boyscouts contract for 2011, Motion passed unanimously.

Ops Manager Report:

Has been working on preparing audit materials, the 2011 budget, b2 support materials.

Financials Report:

On November 1st most insurance policies renewed. The biggest expense from this is the rolling stock and first payment on liability and property. The expense for this has gone up. We are keeping the same level of coverage. Travelers extended flood insurance to us with our property insurance. Directors and officers insurance has not renewed yet. Advertising also increased, but they are related to delayed expenses from the October events. Attorney fees will be coming as well.

New Business:

2:32 PM – S. Brist moves and B. Handschin seconds that we formally accept the bequest from Fred Reardon's estate. Motion passed unanimously.

2:31 PM – S. Brist moves and M. Deets seconds that Don Meyer has been authorized to handle the Fred Reardon estate bequest and will continue to be authorized until December 31, 2010. Motion passed unanimously.

2:38 PM – M. Deets moves and S. Brist seconds that beginning January 1, 2011 that the manager Jeff Lentz shall be authorized to continue signing legal and financial documents in regards to the Fred Reardon estate. Motion passed unanimously.

2:41 PM – B. Handschin moves and S. Brist seconds to vote by email to approve the IRS 990 form. Motion passed unanimously.

Management Committee Report:

We need better promotion of 1st class and dinner tickets. They are exploring updating the brochure for this subject, perhaps putting them into racks here on property. They are looking for suggestions from others. Operating schedule and fares for 2012 have been worked out and they would like the board's blessings. Charters have also been under consideration.

2:54 PM – B. Handschin moves and C. O'Brien seconds to approve the 2012 fares and schedule. Motion passed unanimously.

2:59 PM – S. Brist moves and B. Handschin seconds to accept the charter schedule, with the exception that the terms may be modified by the president and superintendents. Motion passed unanimously.

Secretary's Reports:

Annual Election of Directors:
141 Envelopes Returned with 138 Ballots
3 Ballots were disqualified for failure to place identifiable name on outer envelope.

Director Position 1: (117 Votes)
- 1 vote for K. Bauman
- 1 vote for D. Bierman
- 2 votes for W. Burhmaster
- 1 vote for J. Busse
- 1 vote for J. Eng
- 1 vote for J. Nelson
- 1 vote for K. Pickar
- 1 vote for K. Ristow
- 2 votes for R. Ristow
- 1 vote for J. Slinde
- 102 votes for J. Sorrel **(Retains His Position)**
- 1 vote for W. Tisler
- 1 vote for R. Welke
- 1 vote for Mickey Mouse

Director Position 2: (130 Votes)
- 124 votes for R. Anderson **(Retains His Position)**
- 1 vote for D. Bierman
- 2 votes for J. Connor
- 1 vote for R. Gruber
- 1 vote for R. Lichter
- 1 vote for R. Ristow

Director Position 3: (128 Votes)
- 123 votes for A. Joyce **(Seated Immediately)**
- 1 vote for R. Gruber
- 1 vote for R. Lichter
- 3 votes for J. Nelson

New Members – Jacob Cook, Timothy Knobloch and Joe Schreiber

Upgrade requests to Regular – Scott Lindsey and Dale Scobie

That brings the membership to 632

3:10 PM – J. Sorrel moves and D. Schumacher seconds to upgrade Dale Scobie and Scott Lindsey to Regular Status. Motion passed unanimously.

Committee appointments:
Management Committee: J. Bloohm, Chair, B. Anderson and D. Viste. D. Shumacher moves and R. McLeod seconds to approve the appointments. Motion passed with one vote against.

Private Equipment Oversight Committee: J. Busse, Chair, K. Bauman, J. Johnson E. Ripp and J. Bloohm. J. Dillengurg moves and D. Schumacher seconds to approve the appointments. Motion passed unanimously.

Collections Committee: B. Buhrmaster, Chair, S. Mathias, J. Lentz, M. Deets, R. Dipping, D. Schumacher moves and A. Joyce seconds to approve the appointments. Motion passed with one abstention.

Vice Presidents Appointments:
3:15 PM – S. Brist moves and R. McLeod seconds to approve the appointments. Motion passed unanimously.

PEOC Report:
A letter and a copy of the policies will be sent out to all members the committee has identified as having private equipment on property. There will probably be a meeting to follow.

WC&C #1:
The owner wants all parts gathered up including the offsite stored items. The owner's preference is to package up the locomotive and send it off for professional rebuilding.

4:00 PM – S. Brist moves and C. O'Brien seconds to appoint R. Ristow to create a written inventory of WC&C #1 parts working with the owner. Motion passed unanimously.

4:02 PM – S. Brist moves and B. Handschin seconds to have R. Ristow work with the owner of the WC&C #1 to produce a written report to be used in creating a scope of work for the March board meeting. Motion passed unanimously.

Gramling Steam Locomotive #75:
4:12 PM – M. Deets moves and S. Brist seconds to bring the locomotive here for the two weekends in august. Motion passed unanimously.

4:18 PM – S. Brist moves and A. Joyce seconds to authorize management to begin a fundraising effort for the sponsorship for the steam engine 75 an 0-4-0. Motion passed unanimously.

4:27 PM – M. Deets moves and J. Dillenburg seconds that we acquire by the March meeting estimates on prices for rail replacement and truck rebuilding for the general operating fleet. Motion passed unanimously.

The next Regular Board meeting will be March 26, 2011 at 12 noon in the Office Building.

4:34 PM – D. Schumacher moves and A. Joyce seconds to adjourn the meeting. Motion passed unanimously.

Kelly R. Bauman
Secretary
Mid-Continent Railway Historical Society, Inc.
Approved by the Board at the March 26, 2011 meeting.