

Train Mountain Railroad
Board of Directors Meeting

November 1, 2012

Location: 36941 South Chiloquin Rd.

Meeting called to order at 7:05 pm

Present: Jim Armstrong, President; Dennis Ward, Treasurer; Chuck Barnes, Secretary; Tom Watson, Jerry Crane and John Black, RRI

Absent: None

Others in attendance: Russ Wood and Jeff Pape

Minutes of the October 18, 2012 Board meeting were approved as submitted. Ward/Watson. Approved 5-0

1. Articles of Incorporation: Article V "Voting Members" was changed to conform to the TMRR Bylaws.

Bylaws: Brief discussion of Article II. Voting Members, Section 2. TMRR is proposing the Family Membership to have two votes. All seemed to believe Section 2 will allow the Family Membership to have two votes. On the TMRR membership application we need to make it clear that a Family membership has two votes.

Motion: Adopt the Articles of Incorporation, with the change mentioned above, and the Bylaws. Secretary of the Board is authorized to sign both and submit the TMRR incorporation application to the State of Oregon. Ward\Crane. Approved 5-0 Copies of both are attached to the minutes.

2. John gave the Board the following overview of the day's activities.

a) John and Tom had reviewed old records and files. Friends is the custodian of TM so the records and files were boxed and will be saved for future inspection.

b) An email from Mark Gallagher (DEQ) was found regarding the Blue Caboose Campground sewer. He stated that fixing the sewer will not be considered an expansion. Therefore, fixing the sewer will conform to the existing Use Permit.

c) \$3,002.00 in cash was found in a file box, and will be deposited in Friends custodial account on 11/2/12.

d) No "red flags" had been found.

3. Friends provided \$5,000.00 so Dennis Ward can pay bills for which Friends are responsible. Friends also provided \$500.00 for initial operating expenses.

4. It was discussed and determined that TMRR needs a cash register or some other device to handle cash. Tom will look into this issue.

5. Jerry's Facilities Report.

a) Richard and Dustin started installing new key code locks and should be finished tomorrow. Attached to the minutes is a list (Exhibit O in the Nov 1-4 Meeting binder) of who has access to the various locks.

- b) Jerry examined the roof leaks in Central Station and wrote a report for the Facilities records.
- c) Central Station's existing 1,500 gallon septic tank is not adequate. A 3,000 gallon tank will be required. Several options for a new system may be available, but engineering will be required. DEQ approval may be required.
- d) All facilities reports will be filed in one central location.

6. Rolling Stock Inventory. Chuck listed all the cars and locomotives that are stored in the backshop. He will inventory the cars and locomotive being stored in other areas of TM (yards, etc.), Caboose Ridge and K&W tomorrow. Once the inventory is completed we will have a list of all rolling stock (some cars may not have trucks) currently at TM. Russ and Dennis will assist in determining ownership of any rolling stock not under TM ownership.

7. TM Expenses - November 1, 2010 thru October 31, 2011.

- a) Dennis was able to determine the expenses and provided a sheet showing them. A copy of the expense sheet is attached to these minutes. The miscellaneous listing includes (1) \$2,000 per month to American Title as payment for the property at the southwest corner of Hwy 97 and S. Chiloquin Rd.; (2) \$8,000 to ISCO, LLP (Sharon's accountant); and, (3) \$3,000 + \$200 per month for food service.
- b) Tom gave a brief overview of how the telephone system works and the type of telephone and DSL lines.
- c) Dennis will continue to review the past TM expenses.
- d) The expense report seemed to confirm our original cost estimates are reasonable.
- e) Dennis started a new Quick Book account effective 11/1/12 and will start reviewing the TM revenue.

8. Cooperative Agreement.

- a) 3.0 Terms. There was concern that there needs to be cooperation between RRI and TMRR prior to termination. John indicated this should be acceptable and will work on revised wording.
- b) 4.0 Development of Plans. Museum Plan has been removed since a 501c7 allows only 5% of income to come from non-members. The concern was that this amount might be exceeded. A museum seems to fit better under RRI than TMRR. Tom expressed concern that TMRR volunteers will be needed to support/staff the museum. John said he would insert wording that RRI will cooperate with TMRR in establishing the museum.
- c) 5.2 Buildings. RRI has exclusive use of the Market Place building, but TMRR may need to use the building at times. John said he would modify the existing wording to allow TMRR use of the building.
- d) John presented a plan of the proposed track shop relocation to the south side of the motor pool building. The woodshop area will not be impacted. The consensus was that TMRR does not need two wood shops. John will ask K&W

to detail how they would benefit from the track shop being relocated to the motor pool building. This will allow an analysis of the relocation cost with the benefits.

e) 8.2 Basic Operation Budget. Delete the sentence that contains 10% increase if agreement cannot be reached.

f) 8.4 Basic Member Support Cost Budget. Office supplies are those needed for the TMRR membership. Cleaning and Maintenance Supplies and Garden Supplies will be moved to 8.2 Basic Operation Budget.

g) 8.5 TMRR Contribution to TM Operation Fund. The wording was acceptable to the Board.

h) TMMA's committee to review and comment on the Cooperative Agreement will meet to review the revised Cooperative Agreement.

9. It was recommended that additional showers/restroom should be included in any study of the motor pool sewer system.

10. John discussed a proposal to install "preservation support" structures (30 amp electrical service, water and sewer) next to the cabooses. This would allow members to enjoy the cabooses without the need to modify them for occupancy. Cleaning and some repairs to the cabooses will however be needed. The expense may outweigh the benefit. There was general support for this concept. The Board took no formal action on this matter.

11. At 9:20 pm the meeting was recessed until November 2nd at 11:00 am.

November 2nd at 11:00 am the Board meeting resumed.

Present: Jim Armstrong, President; Dennis Ward, Treasurer; Chuck Barnes, Secretary; Tom Watson, Jerry Crane and John Black, RRI

Absent: None

Others in attendance: Russ Wood, Steve Panzik, and Jeff Pape

1. TMRR Board of Directors' Meeting Schedule for 2012 – 2013. There was discussion about the May 8, 2013 meeting. A Narrow Gauge meet in early May could pose a freezing problem for the steam engines. Motion to approve the schedule as submitted. Crane/Watson. Approved 5-0 A copy of the approved schedule is attached to the minutes.

2. Five Year Event Calendar. We need input from the Narrow Gauge group regarding the Narrow Gauge Meet being held in early May. Motion to adopt the five year calendar with 2014 and beyond subject to change due to input from the Narrow Gauge group. 2013 meet dates have been published so no change is possible. Watson/Ward. Approved 5-0

3. Cooperative Agreement. A modified Agreement was presented that contained the following changes.

a) 3.0. Terms. Last paragraph modified to clarify RRI's ability to take control.

- b) 4.0. Development Plans. It was added that RRI intends to develop the plans.
- c) 5.2 Buildings. Wording was added to allow RRI and TMRR joint use of the Market Place building.
- d) 8.0. Basic Operations Budget. Minor clean up of the wording that did not change the original concept.
- e) Motion to adopt the Cooperative Agreement as presented. Watson/Crane Approved 5-0 Copy attached to the minutes.

4. Understanding for Interim Operation of Train Mountain. Motion to approve as submitted. Watson/Crane. Approved 5-0 Copy attached to Minutes.

5. Memberships. After discussing names and fees the following were chosen: Subscription \$20; Railbiker \$25; Individual \$50; Family \$75; Young Adult \$25; Supporting \$150; Participating \$250; Yard Boss \$500; and, Empire \$1,000. Motion to adopt the memberships and fees as discussed and modified. Watson/Ward. Approved 5-0

6. Meet Fees. After discussion the Board settled on: Family members, \$35 for the first adult, \$25 for each additional adult and \$5 per child 6 and older. Guest, \$20 for each adult and \$5 per child 6 and older. Motion to adopt as discussed and modified. Watson/Crane. Approved 5-0

7. Special Event Fees. A TMRR member must sponsor the event. The rental fees will not be a 501c7 issue since a TMRR member will sponsor the event. All train rides carrying the public must be on the K&W track. TMRR and K&W should have a revenue sharing agreement for the train rides. The Board decided to continue discussion and action on this issue at a future meeting.

8. Winter Office Hours. The hours were set as: 10:00 am to 2:00 pm (Pacific Time) Tuesday, Wednesday and Thursday. Russ said he would make an "A" frame sign showing the winter office hours.

9. Recruit and Train Winter Office Volunteers. Dennis believes members will volunteer but will need training. Dennis and Tom said they will handle the training. A training manual providing a brief description of the duties should to be developed.

The meeting was recessed until November 3rd at 10:00 am.

November 3rd at 10:00 am the Board meeting resumed.

Present: Jim Armstrong, President; Dennis Ward, Treasurer; Chuck Barnes, Secretary; Tom Watson, Jerry Crane and John Black, RRI

Absent: None

Others in attendance: Russ Wood, Steve Panzik, and Jeff Pape

1. The Board discussed a few minor cleanup items regarding the Membership and Meets.
2. Jerry said the propane tanks had been inventoried and the propane levels recorded. He also said there were some Central Station roof issues that need to be corrected prior to the snow. He will provide details in the Central Station facilities report.
3. John said he will contact the Narrow Gauge group to determine their preferred date for the Narrow Gauge meet.
4. Dennis stated he is still working on the TM finances and had no additional information.
5. The cell tower income is \$67,000 per year. The IRS may view this as income and may be pledged to assist in the lien removal. The TMRR Board had listed the \$67,000 as income in the TMRR operating budget, but it may not be a “long term” revenue source. Since the cell tower income may be used until “closing” the 2013 operating budget looks OK. The Board determined that a change in the Member fees adopted yesterday will not be changed. If the cell tower income is lost and additional revenue is required the Board will address that issue at a later meeting. The Board will make the cost vs. revenue available to the members to help explain the fee schedule.
6. Housekeeping and Cleaning. John will place an advertisement in Craig’s List for a housekeeper. It was hoped that we could find a housekeeper to live on site and also act as a caretaker.
7. TMRR Web Site (TMRR.org). The web site will be online within a week. It will be a “work in progress”.
8. TMRR Application. Tom presented a draft. The Board thought it contained sufficient information, but needed modifications. It did state the “Mountain Gazette” will only be published in an electronic format and will be distributed via email. It was decided that a member’s interest/skills would not be on the application. If a member wishes to list their interest/skills it will be in their profile. Wild Apricot will allow an interest/skills field. John and Tom will work on revising the application.
9. Division Naming and Milepost Numbering.
 - a) There are four divisions: (1) Romulus – all area south of South Chiloquin Rd; (2) Caboose Ridge – no track at this time; (3) Douglas – the area between South Chiloquin Rd and M&M Corner; and, (4) Friends – the area north of M&M Corner.
 - b) Milepost: (1) South from M&M Corner – continue the existing numbering program. Sharon’s Shortcut; 2% Solution and the Burn Pit need to be numbered.

c) As a general rule new subdivisions will be named for the destination. Hope; New England; Aragon; Railroad Ridge; and, Caboose Ridge were the names selected for the new subdivisions.

d) Milepost Numbering of the New Subdivisions: 30-40 Hope Subdivision; 40-50 New England Subdivision; 50-60 Aragon Subdivision; 60-70 Railroad Ridge Subdivision; and, 70-80 Caboose Ridge Subdivision were the Board's recommendation.

10. Library and Publication Subscriptions:

a) The creation of a library is important and currently is a work in progress. Existing books, magazines and miscellaneous items need to be reviewed and categorized. A librarian and a description of duties are needed.

b) The Board agreed that Live Steam magazine is very important to the hobby and is the only active subscription. All other subscriptions have expired.

11. Sharon's Upstairs Office. Second floor access, a wood stove for heat, and sewer capacity issues may prevent it being a rental unit. The Board determined the best use at this time is an office/conference room.

12. TMRR Board Expansion:

a) Social Media – John stated that major corporations find social media is their second most important sales generator and TMRR should not ignore this culture. We need to find someone who lives and breaths this culture to head up our social media efforts. The Board agreed this is extremely important and we need to put out a request for such a person. At this time the Board is of the opinion that this should be a volunteer and not a new Board position. However, they will need Board level exposure to adequately understand the issues.

b) Wild Apricot Development and Maintenance – At this time the Board is of the opinion that this should be a volunteer and not a new Board position. However, they will need Board level exposure to adequately understand the issues. The software will dictate what can and cannot be done. It appears the volunteer does not need to be onsite to develop and maintain the Wild Apricot software/system. The set up will take considerable work, but maintenance should be less work. A request for a volunteer should be made.

c) Other Needed Skills and/or Experience for Board – A Volunteer Coordinator will be needed. This could be a Board position. This position will handle advanced planning, project coordination, project completion and schedule volunteers to selected projects. Russ and Jeff will start working on developing the criteria for this position and possibly recruitment of the person.

1:05 pm recessed for lunch.

2:50 pm the Board meeting resumed.

1. TMRR Chart of Accounts. Need to chart income and expenses, but do not make it too complicated. John and Dennis each provided a sample TMRR Chart

of Accounts. The Board requested Dennis to review both to ensure his chart contained all the items listed on John's. Dennis asked how the bills will be divided between TMRR, Friends and RRI. Dennis and John will meet to resolve this question. Friends will pay the bills until "Closing". So this issue must be resolved prior to "Closing".

2. How TMRR Decides to Spend Money. At what point is TMRR Board approval required? The Board determined that their approval is not needed to purchase "consumables" provided there are sufficient funds available. The receipt must be saved and the purchase charted. The Board will review these purchase at their monthly meeting. John stated that Friends will provide \$500.00 to clean and repair the hotel rooms and other areas of Central Station. Any purchases must be made by either card or check. Dennis or Tom will approve these purchases.

3. K&W will benefit with the relocation of the track shop. John requested the K&W give him an analysis of the relocation to support the cost of the relocation.

4. Member Sanctioning. The Board agreed that TMRR needs a well drafted sanction policy. The sanction may include revocation of membership. Jim, John and Chuck will draft the policy.

5. Gazette. There was considerable discussion regarding the content of the first issue. It was decided to only publish the 2013 meet schedule. The first issue will have links to more detailed information if the web site is sufficiently developed to support the links. The links may be delayed to the second edition. Russ stated that new logos have been designed for Friends, TMRR, and TM Museum. The target date for publishing the Gazette is next Tuesday or Wednesday.

6. Dust, Rodent Droppings and Mold. Some of the upstairs rooms in Central Station have a dust and rodent droppings problem. The Board recommended hiring an outside firm to clean and paint these rooms. If mold is discovered in Central Station, an outside firm will be hired to correct the problem.

7. Miscellaneous Discussions.

a) There is a need to develop an online calendar that is available to the Board and all committees. Russ will check into software that may have an acceptable calendar.

b) Fire is a major threat to TM. The Board must determine who will be in charge of fire prevention and developing the Fire Protection Plan.

c) Tent caterpillars are a threat to the forest and an effort to eliminate them should be included in one of 2013 work weeks.

At 5:35 pm the meeting was recessed until November 4th at 9:00 am.

November 4th at 10:00 am the Board meeting resumed.

Present: Jim Armstrong, President; Dennis Ward, Treasurer; Chuck Barnes, Secretary; Tom Watson, and John Black, RRI

Absent: Jerry Crane

Others in attendance: Russ Wood, and Steve Panzik

1. Member Sanctioning – Continuation from the November 3rd meeting. The Train Mountain Project Joint Policy Statement was presented to the Board. There was some discussion regarding the Policy, but the Board was in agreement with it. Motion to adopt the Train Mountain Project Joint Policy Statement. Ward/Barnes. Approved 4-0 (Crane absent). A copy of the adopted Train Mountain Project Joint Policy Statement is attached to these minutes.
2. The Board determined that a Code of Conduct should be developed. Steve said he would prepare a draft Code of Conduct and present it to the Board.
3. Life Membership Policy. The current TM Life Members do not pay the annual membership fee or regular meet fees. However, they are paying for the meet banquet and for the triennial meets. A list of the TM Life Members is attached to these minutes. The Board agreed to honor the existing TM Life Members and that they will not be required to pay the annual membership fee or the regular meet fees. They will continue paying for the meet banquet and the triennial meets.
4. Board Meeting Start Time. The Board set 7:00 pm Pacific Time as the start time for telephone conference Board meetings.
5. The Board determined that a good quality paper scanner should be purchased for the TMRR office.
6. John recommended and the Board agreed that the backshop and motor pool equipment must be inventoried.
7. Renaming the Gates and Roads. There does not seem to be any consistency in the way the gates and roads were named. Steve will do a survey of the existing names. He will then work with Tom, Dennis and Russ to draft a list of suggested names. Their report will be presented to the Board for review.
8. Volunteer Categories and Hours. Tom and Dennis are currently using a spreadsheet to track the volunteer hours. The volunteer hours will be for the Train Mountain Project and not broken into TMRR, Friends, or RRI projects. A volunteer hour is considered to be working on a project, going to a store to pick up materials, etc. Travel time to and from TM will not be counted. The goal will be to track hours via the computer and with minimal paper. We need to start collecting the hours as of November 1, 2012. It was suggested there could be a link on the TMRR web site to allow the volunteer to log the hours and just press send. Jim will develop the program to capture the volunteer hours. He hopes to

establish a Gmail account to which a volunteer will send an email listing the project and number of hours. Jim will incorporate the spreadsheet being used by Tom and Dennis into his program. He will ask for input once he starts working on the program.

9. Standing Committee Formation. The Board determined the following should be formed:

- a) Publications – Publish the Gazette and maintain the TMRR encyclopedia.
- b) Security – Develop and implement the Security Plan.
- c) Track – Develop and implement the Track Maintenance Plan.
- d) Facilities and Grounds – Develop and implement the Facilities and Grounds Keeping Plan.
- e) Steam – Responsible for boiler inspection, steaming facilities, steam locomotive safety, and what fuels can and cannot be used in particular areas of TM. Develop and implement any plans that will be necessary. This will require an expert in steam issues.
- f) Store and Museum – Responsible for all aspects of establishing and maintaining the store and museum.
- g) Library – Responsible for establishing and maintaining the library.
- h) Fire - Develop and implement the Fire Protection Plan.

Russ will write a Gazette article describing these committees and the need for volunteers.

10:55 am the Board went into executive session.

12:15 pm the Board resumed the regular meeting.

Present: Jim Armstrong, President; Dennis Ward, Treasurer; Chuck Barnes, Secretary; Tom Watson, and John Black, RRI

Absent: Jerry Crane

Others in attendance: Russ Wood, and Steve Panzik

1. Jim had received several photos showing items that were on TM property. The photos were undated. All the photos will be scanned and placed in the Friends files.
2. Chiloquin Buildings. John said there is some interest in purchasing the buildings. He will refer the potential sale of the building to Ron Robinson of the IRS for their review and comment.
3. The Board authorized TMRR to use P.O. Box 438. The P.O box established for the triennial will be closed.
4. Friends authorized a \$1,000.00 budget for Jerry Crane to investigate facility issues or fix minor facilities problems.

5. 12:30 pm. Motion to adjourn the meeting. Ward/Watson. Approved 4-0
(Crane absent)

Minutes taken and submitted by:
Chuck Barnes, Secretary