

MINUTES OF THE DIRECTOR'S MEETING, JULY 17 2011
BEST WESTERN KELLY INN, ST. CLOUD, MN

The meeting was opened at 8:07 am by President Peterka.

After determining a quorum was present, President Peterka continued the meeting by stating that under the "Not-for-Profit" Laws of the State of Illinois, Proxy votes are not permitted.

Item 01: On motion made and seconded, the minutes of the Director's Meeting of September 12, 2010 were accepted.

Items 02-12: Reports were received, either written or oral from the following:

02: President's Report: President Dale Peterka reported that his first year as President has been a busy one. He said that the last time he was President he did not remember being this busy, which must mean that the Society has expanded its' aims.

03: Vice-President John Langlot reported that he is working with Ron Erickson on Hustle Muscle, and there will be a report about that later in the agenda.

04: Publications: Duane Buck reported for Ed Stankard. Ed requested a budget of \$55,000 to \$60,000 to publish the "Goat" and the reference sheets. It was pointed out that all the costs have gone up. A motion was made and seconded that Publications be granted a budget of \$55,000 for the coming year. The motion was approved.

05: Archive Committee: Bill Sornsin reported that it has been a busy year. The Archives have accessioned at least 13 new collections, including the Robert Downing collection and two cabinets of AFE's from the depot at Bellingham, WA from our contacts at BNSF. Bill said that the website has been very busy. He also noted there have been over 1,650 volunteer hours donated in the last year. Bill also reported on Stu Holmquist and other members who are scanning archive items and photos, and updated us on the status of the PNRA.

06: Website Operations: Lindsay Korst noted that his report included the fiscal years 2009, 2010 and part of 2011. He reported that Paypal dues renewals continue to trend upward in 2011. 262 people joined or renewed memberships in the first half of 2011 compared to 406 in all of 2010 and 289 in 2009. Lindsay said the Online Store, during the first half of 2011 brought \$11,229,79 in revenue. He also reported that on July 4, 2011 he turned over the Webmaster and Paypal transaction duties to Ben Ringnald.

07: Marketing Officer: Don McGlothlin reported on the income from 2009, 2010 and the first half of 2011. Income for 2011, so far, has shown \$3,714.43. He talked about the cost of the various kits the GNRHS store sells. Don reported that the weed spraying cars and the chemical tank car kits are completely sold out. He reported that, in the future, a Skykomish Sand House kit may be produced. Jim Chinquist then talked about the possibility of having a GN style jacket.

08: Convention Chairman: Ed Erickson pointed out John and Bev Tracy for conducting convention registration and Jim Chinquist for arranging the apparel. He related that he had 45 tables for the Rail Fair and had to go to the Convention Center to accommodate them. Ed explained why the Convention Registration fee was \$95.00, by relating that a breakfast meal charge was added to avoid having to rent

the function rooms. He went on to talk about the tours during the convention. He then talked about the July 7 – 11, 2012 Convention in Klamath Falls, OR. At this point, Tom Kellstrom, Mayor of Klamath Falls was introduced and he gave a brief talk about the high points of his city and how to get there. Ed Erickson made an announcement that the major raffle prize at the Banquet would be a W&R painted brass GN 06 Mikado.

09: Membership Committee: Bruce Goeser and Andy Kern reported that the membership has broken the 2000 mark. Bruce reported that we have 2001 members as of today. He went on to detail his expenditures for brochures, renewal letters, banners, Classic Trains ad and ad in Empire Builder Magazine. Bruce continued to talk about the new brochure and the various accomplishments that the Committee has achieved, including changes to the membership program. Duane Sebelius, Membership Secretary, reported on the status of the breakdown of our membership by State, Province and Overseas. He went on to talk about how the lapsed membership program is progressing.

10: Operating Manual: Duane Buck reported on the progress of the manual. He said that it took a long time because of the research to make sure everything was covered.

11: Hobby Shop Sales: Bill Sornsin reported on the sale of "Goats" at the hobby Shops.

12: Hustle Muscle: Ron Erickson, Superintendent of Motive Power: reported he had some acquaintances (retired BNSF machinists) look at Hustle Muscle's diesel engine and they stated that the engine is in great shape. He reported that he has run the engine three times and was able to check out several items. Ron also talked about a number of small items which have occurred. He then talked about several proposals for Hustle Muscle's use. After Ron finished his presentation, President Peterka presented Ron with the "Empire Builder" Award, for his years of service to the GNRHS in maintaining GN#400, better known as "Hustle Muscle". Ron thanked the Society for this honor and said that he loved to work on engines.

13: Reference Sheet # 28: Duane Buck reported on the progress of the Reference Sheet. He explained that it must be brought up to date, and that the original paint samples must now be correctly computer generated to match.

14: Financial Report: Retiring Treasurer James Knollmiller sent in his report showing the years 2009 and 2010. It was pointed out that the Society's balance sheet is as strong as it has ever been. It was decided not to take any action until the new Treasurer takes over.

15: Membership Items: Bruce Goeser and Andy Kern, Membership Officers, reported on a proposal to change the current membership renewal program as follows:

An Expedited Renewal to have the majority of renewals completed by fiscal year end.

1. Procedure

- a. Column in the September and December Goat explaining all changes
- b. Half page ad in September Goat urging to renew
 - a. Insert a full sheet with catchy graphics to draw attention to the Early Renewal, first year only
- c. Renewal Ad in December Goat
 - a. Insert a full sheet with catchy graphics as previous years

- d. Analyze progress prior to March mailing list (approximately March 1) to determine if we cut off March Goat for non renewals, print the label with "This is your last issue" or send another reminder letter.

A motion was made and seconded to accept the proposal. After discussion, the motion was approved. Bruce and Andy also presented a proposal to change the Extended Renewal Program as follows:

- a. Three year renewal \$80.00 collected upon renewal
- b. Two year renewal \$55.00 collected upon renewal

A motion was made and seconded to accept the proposal. After discussion, the motion was accepted. Bruce and Andy additionally presented a Sponsorship Program as follows:

- A. Current members could "sponsor" a new member. Sponsor members receive a pin in recognition (\$20.00 sponsor membership if possible and practical)
 - a. Procedure – Secretary receives the payment and sends information to the Officers via email. The Officers develop a "Thank You" letter and the incentive/thanks pin is sent with the letter.
 - b. Web site is amended to provide a Sponsor blank to fill in.
 - c. Sponsor designation would apply to a current member who signs up a new member and fills out the proper form either on-line or by mail. One sponsorship per year.
 - d. Column is inserted in the Goat outlining and highlighting the benefits of Sponsorship and recognizing those who participate.

A motion was made and seconded to accept the program. After discussion, the motion was accepted.

16: Future Convention Sites: President Peterka reported on the possibility of having a joint convention with the Northern Pacific Society in 2013. Ed Erickson reported that he needs some concrete help for that convention. After discussion, a motion was made and seconded to have the 2014 convention in Helena, Mt. The motion was accepted.

17: GNRHS Store – Fulfillment Proposal: Don Mcglothlin, Marketing Officer, reported on a Fulfillment Services Proposal. The Proposal would use the Pacific Northwest Railroad Archives as the Fulfillment Center for sales from the Society's Company Store. After discussion, a motion was made and seconded to accept the Proposal. The motion was approved with one abstention.

18: Back Issues: John Thomas, Membership/Back Issues Officer, reported that the total income for 2010 was \$1,434.11. He then reported that because of shipping costs, he must now raise the prices of the Back Issues.

19: Future of GN 400-Hustle Muscle: Ron Erickson, Superintendent of Motive Power, presented two proposals for future use of Hustle Muscle. He pointed out that Hustle Muscle's engine needs to be run more often than it is now to keep it in good operating shape. Ron proposed that the Minnesota Transportation Museum be allowed to use Hustle Muscle to give cab rides at Jackson Street. He also proposed that the Board discuss with MTM the future use of Hustle Muscle. A motion was made and seconded that the proposal to allow MTM to use Hustle Muscle for cab rides be accepted. After discussion, the motion was accepted. A motion was made and seconded to discuss future use of Hustle Muscle with MTM. After discussion, the motion was tabled.

20: Heritage Fund Distributions: The following grants were discussed:

- a. \$1,500 to the Montana Museum of Railroad History to help with cosmetic restoration and preservation of a 30 inch narrow gauge 0-4-0T from the Anaconda Mining Co. This locomotive interfaced with the Great Northern in moving ingots around at the smelter.
- b. \$500 to Mille Lacs Country Historical Society at Princeton, MN for their "Last Train to Princeton Project".
- c. \$500 and Caboose X-240 to Star Rail in Waite Park, MN, to restore and place the caboose on display in a local park.

On motions made and seconded, motions "a" and "b" were approved and motion "c" was tabled.

The meeting was adjourned at 12:20 pm by President Peterka.

Subsequent to the July 17, 2011 meeting, the Board of Directors reconvened on July 20, 2011 to consider the tabled motion of Star Rail's request for a \$500 grant and donation of caboose X-240. Two motions were made. The first motion was to donate caboose X-240 to Star Rail of Waite Park subject to a protecting roof and restoration to original appearance. The second motion was to allocate \$500 from the Heritage Fund to Star Rail. The Board approved both motions.

Respectfully Submitted,

Raymond A. Chappell
Secretary