

Pacific Southwest Railway Museum Association, Inc.
Board of Directors Meeting Minutes
La Mesa Police Department Community Room
April 18, 2025

1. Call to Order – Hager

Hager called the meeting to order at 1831. Board members Hager, C. Brooker, J. Brooker, Atwood, Denison, Schweikert, and Lundquist were present in person.

2. Introduction of Guests – Hager

Guests in attendance were Cass Witkowski in person and Donna Spevack, Morgan Snyder, Richard Finch, and Mario Sulek on Zoom

3. Additions, Corrections, & Adoption of this Agenda – Hager

J. Brooker requested to add Item 27 – Increase Donation to Student Elves for NPL

Hager requested to add Item 28 – License Agreement for MTS Bus Parking Relocation

Hager made a MOTION to adopt the amended agenda with the addition of items 27 and 28. 2nd by Atwood. Motion carried 7-0-0.

4. Approval of the March 21, 2025, Meeting Minutes - Schweikert

J. Brooker submitted a minor correction to the minutes.

Hager made a MOTION to approve the minutes as amended. 2nd by Schweikert. Motion carried 7-0-0.

5. Treasurer's Report – C. Brooker

C. Brooker reported that PSRMA's federal and state income taxes returns would be completed by May 15, 2025, or an extension would be submitted. C. Brooker reviewed the chart of accounts with the board and noted that PSRMA's bank accounts contained approximately 1.2 million USD collectively. C. Brooker explained the format of the statement of financial activity generated by QuickBooks and noted that PSRMA doesn't have large accounts-payables (due to timely payments of invoices), nor does it have accounts-receivables (PSRMA's income is primarily from revenue sources that are paid at the time of purchase).

C. Brooker reported that he was still having difficulty with online banking access. As of the meeting, C. Brooker did not have online banking access to US Bank, however he did have

access to Wells Fargo. Due to C. Brooker's limited access, only Hager had access to see deposit slips and canceled checks through US Bank. C. Brooker and Hager were working to rectify this issue.

C. Brooker reported on his research into acquiring business credit cards for PSRMA. As of the meeting, he had come up with two options. The first option would have cards issued to individuals using their social security number, which would allow PSRMA to get 2-4% cash back rewards, but credit worthiness and accountability would be on the individual. The other option would be to have cards issued by a non-profit wing of the issuing bank using PSRMA's EIN. These credit cards would provide no rewards but would still provide the improved security against fraud or misuse that is present with debit cards.

C. Brooker answered questions from Lundquist about purchasing accountability. Credit Cards would allow PSRMA to eliminate two bank accounts and potentially generate cash-back rewards from purchases. Lundquist opined that PSRMA needed to have tight controls for card holders to prevent fraud. He also recommended that PSRMA would need to have card holders submit receipts before payment is fulfilled. C. Brooker mentioned that with the individual card option, the debt would be against the individual until a receipt is sent to PSRMA for repayment, thus preventing inappropriate use of the card affecting PSRMA's credit. Hager asked C. Brooker whether the individual card holder or PSRMA would receive the credit card bill. C. Brooker answered that PSRMA would get the bill. Hager suggested that PSRMA should write and enforce a process for the understanding of potential card holders. C. Brooker agreed to draft such a process.

C. Brooker asked whether any board members knew of the situation or the whereabouts of former Treasurer Hector Gonzales; none did. There were unknown deposits and debits in the amount of over \$50,000 in 2024 that C. Brooker couldn't reconcile. Gonzalez still had physical PSRMA checks as well as sole control of a deposit account with approximately \$8,000.00 of PSRMA's money earned through rental income. Cass Witkowski asked who was in control of the account and why the board couldn't close the account and withdraw the money. Hager explained that the account was with Green Dot Bank which is a partner company of Intuit, and which processes and holds all money received through QuickBooks invoicing. When a QuickBooks deposit account is opened through Green Dot Bank, that bank account is tied to the individual who opened it and only that individual can withdraw money from the account or close it.

The board discussed the best course of action to take control of the funds. Atwood used his law enforcement background to outline the legal recourse that PSRMA has. The first action would be to send a certified letter of demand to Gonzalez's address on file demanding that

the funds and all museum property be returned. C. Brooker, J. Brooker, and Hager agreed to draft the letter of demand.

Prior to the meeting, Lundquist submitted several questions and comments via email regarding the financial reports provided by C. Brooker. C. Brooker discussed Lundquist's questions and suggested that the board could discuss the questions in more depth at the May board meeting after the taxes had been submitted. Lundquist asked for an explanation of the difference between the Gift Shop and E-Tix income lines in the Statement of Financial Activity. J. Brooker explained that the Gift Shop bundles both gift shop items and walk-up train ticket sales. The E-Tix line counts strictly online ticket sales. Lundquist requested that the Gift Shop line be separated out into two lines; one for train ticket sales and one for gift shop item sales. C. Brooker explained that this was not possible because QuickBooks only has visibility of bank deposits from PSRMA's point of sale system, Square, and not individual item or category sales through Square. J. Brooker stated that she would send the reports from Square that do show the breakdown of what constitutes Gift Shop income.

Lundquist had a question about PSRMA's current position financially. C. Brooker stated that QuickBooks is not entirely accurate due to lapses over the past two years in accounting. After the tax returns are submitted, the hired accountants will fix the QuickBooks ledger and PSRMA should have an accurate view of its previous and current finances. Lundquist and C. Brooker continued discussing the Statement of Financial Activity. C. Brooker concluded that his immediate priority was to get the taxes done so that Donna Spevack, PSRMA's Administrator of Fund Development, could apply for more grant funding. Hager explained the current state of PSRMA's Endowment Fund, money borrowed from the Endowment Fund in previous years, and the ongoing transfer of funds from the General Fund back into the Endowment Fund to repay this earlier borrowing.

6. Review Outstanding Motions – Schweikert

Schweikert went over the open motions and noted which ones could be closed. Items 1 through 3 from October 2024 were reauthorized by consensus for April 2025. For December 2024, items 3, 4, 5, 8, 10, 12, and 13 were closed. From March 2025, items 1, 2, 3, 4, 5, 8, and 9 were closed.

OLD BUSINESS

10. Equipment Deaccessions - Schweikert - TABLED

J. Brooker agreed to send Travus Clark's write-up to Schweikert for cleanup and presentation in a future Board meeting.

The Board approved a list of equipment for deaccession on October 4, 2024. This list needs to be voted on by the membership to allow for deaccession. The Board has agreed to put this to a member vote.

11. Bylaw Revisions – Lundquist

Lundquist realized that he had not sent the draft bylaws to the board for review prior to the meeting.

J. Brooker suggested that the board should go over the bylaws as a committee before sending them for legal review. J. Brooker suggested setting up a Bylaws Committee and providing a deadline. Lundquist agree to submit his proposed changes to the board before the board decides if a committee is required.

12. Handcar Operations at Campo Railroad Museum – Lundquist

Hager reported that he had reached out to PSRMA's insurance broker to inquire about whether PSRMA's General Liability insurance policy would cover handcar operations. The insurance broker responded that they would consider providing coverage and submitted four questions for Hager to answer. Hager responded to all four questions and asked if there would be a difference in the insurance premium. As of the board meeting, Hager had not received a response to the question on insurance premiums.

Lundquist reported that he had inquired about Railbikes with other members of the Heritage Rail Alliance who were currently operating them. He was told that the cost for 15 bikes plus equipment was approximately \$150,000.00 Lundquist determined that it would not be feasible to recoup the costs of the initial investment and decided to discontinue pursuing railbikes.

The board will await a response from the insurance broker before proceeding further on the topic of handcar operations.

NEW BUSINESS

20. Safety-Kleen Hazmat Fees – Hager

PSRMA is obligated by state law to remove hazardous waste materials from its property within 180 days of the date that the materials start accumulating. This includes contaminated soil and oily rags, used metal and paper filters, and used oil. In February, the County of San Diego performed a triennial hazardous waste inspection of the property in Campo and generated a notice of violation for hazardous waste materials that had accumulated on site for

over 180 days, with 30 days to correct the violation before a fine would be assessed. Hager worked with Safety-Kleen, PSRMA's existing vendor that does the periodic servicing of its aqueous parts washer and had them pick up PSRMA's accumulated hazardous waste. Safety-Kleen provided two quotes for providing the pickup services on a continuous 24-week interval, which meets the requirements of state law.

Hager discussed the two proposals submitted by Safety-Kleen. One covers all solid waste pickup and container replacements and the other covers liquid waste pickup. Safety-Kleen performed hazmat pickups at the end of March. Hager filed the required paperwork with the county and the county has cleared PSRMA's violations.

Hager made a MOTION to authorize a recurring expense of up to \$4,500 every 24 weeks for the pickup of hazardous waste materials in Campo by Safety-Kleen in accordance with California state law. 2nd by J. Brooker. Motion carried 7-0-0.

21. Air Filters for GP9 Locomotives – Hager

Hager reported that the Equipment Department needed to place an order for engine air intake filters and door air filters for PSRMA's two GP9 locomotives. Oil Filter service is a local vendor that PSRMA has used several times in the past. They provided a quote including shipping costs. Hager noted that the final price may vary slightly depending on the shipping address that is used. Lundquist suggested doing a local pickup to avoid shipping fees, to which Hager agreed.

Hager made a MOTION to authorize expenditure of up to \$2,000.00 to purchase locomotive engine air intake filters and door air filters from Oil Filter Service, Inc. 2nd by Schweikert. Motion carried 7-0-0.

22. Dedicate Unrestored Passenger Cars for Use as a Permanent Haunted House – J. Brooker

J. Brooker explained that the special events committee wished to dedicate several unused passenger cars, that are not candidates for restoration in the near future, for use as a permanent haunted house installation. This project would serve many benefits:

1. #050 is in delicate condition. The continued use of this historically significant car as a temporary haunted house is causing further damage to the fragile woodwork and electrical systems. Further, as this car is frequented by children, decorations are constantly played with continuing to degrade the car. Moving the haunted house to a dedicated space will protect the #050 and will limit the number of children navigating the haunted house unaccompanied.

2. The special events committee has less than one week to prepare the Exhibit Hall and train cars for the Pumpkin Express and Sip & Scare events. This is not nearly enough time to create a legitimate haunted house and puts a significant strain on PSRMA's already limited volunteer staff. Having a dedicated space will allow volunteers to work throughout the slower summer season to create something truly special. Additionally, the haunted house will not have to be hastily thrown together then quickly taken down, protecting the props and electrical components from the wear and tear this causes.
3. Less storage is needed in the reefer car in the Exhibit Hall (which is currently full of only Halloween items). This storage space can be repurposed to hold rotating exhibit items, educational materials, etc.
4. A dedicated haunted house can bring in additional much-needed revenue. First, PSRMA is more likely to get "actor" volunteers if they don't have to do anything other than have fun (no hanging decor, building props, cleaning up, etc.). The Sip & Scare event can charge more for a truly unique and legitimate haunted house. During Pumpkin Express, PSRMA can charge extra admission to visit the haunted house.

J. Brooker proposed the following pieces of equipment as potential candidates to be used as the new haunted house:

- ATSF #1304 Chief Manakaja
- SD&A #350 and #351
- SP #2693

J. Brooker asked for Richard Finch's input on which car would be preferred. Finch preferred cars with open floor plans. Hager stated that he preferred that SD&A #351 be used as it's not a historic piece and would not be restored for excursion train service in the foreseeable future. After discussion, the board agreed by CONSENSUS to permit the use of SD&A #351 and ATSF #1304 for use as the new haunted house. Lundquist suggested that the ATSF #1304 and SD&A #351 could be moved up to the bumper on Track 4 where 110 V electricity could be provided for lights and decoration.

23. Annual Dinner Discussion – J. Brooker

J. Brooker solicited the board's input on potential location options, food options, and date for the 2025 Annual Dinner. J. Brooker suggested May 22nd for the date. J. Brooker researched and came up with three viable options. The first option was the Bali Hai on Shelter Island. Pros are the location and the food quality; cons are the lack of AV equipment. The second option is Fiesta Del Reyes in Old Town; buffet or plated options are available. Fiesta Del Reyes has a full AV setup. The final option is the Corvette Diner. This latter option would be very casual. The board agreed by CONSENSUS to select Fiesta Del Reyes during the May 12th week, specific date to be determined.

24. Scheduling Next Backcountry Wine Train Excursion – Brooker, J.

J. Brooker reported that the inaugural Backcountry Wine Train had sold out in approximately three weeks after tickets went on sale and the requests for more dates were continuously rolling in via social media and email. J. Brooker had been getting many requests, from prospective guests and partner wineries, on when the next Wine Train would be scheduled. The board discussed when a good time would be and agreed that the summer would be too hot. Later in the year, other conflicting special events would have to be avoided. Suggested timeframes included the end of September immediately before the start of Pumpkin Express trains or early November immediately after Pumpkin Express. The board did not come to a CONSENSUS on a date, but J. Brooker agreed to work with the Wine Train committee to narrow down the preferred dates.

25. Purchase of Composite Brake Shoes – Hager

Hager explained that PSRMA doesn't currently have a supply of composite brake shoes for its baggage car or freight cars. When volunteers changed out the wheelsets on the baggage car, they had to substitute cast iron shoes to replace worn composite shoes, which do not provide optimal braking performance. New York Air Brake sells the correct composite shoes for \$16 each, plus \$275 for shipping to Campo. Hager proposed to order 24 shoes so that PSRMA would have a steady supply for the future. With anticipated sales tax, Hager estimated that \$750 would be sufficient to cover the purchase.

Hager made a MOTION to authorize expenditure of up to \$750 to purchase 24 composite brake shoes from New York Air Brake for use on PSRMA's baggage car and freight cars. 2nd by Lundquist. Motion carried 7-0-0.

26. Purchase Hirail Kit for New Holland Backhoe – Schweikert

Schweikert, reporting on behalf of Track Foreman James Caestecker, noted that MOW work needed to continue in earnest to bring PSRMA's current operating territory into better condition and to be able to operate on more of PSRMA's leased track. The biggest hurdle for volunteer MOW crews seems to be the labor required to replace ties; using all manual labor, volunteer crews are usually limited to replacing 4-5 ties a day. It would behoove PSRMA to get a hirail kit for its New Holland Backhoe so that volunteers could exponentially improve their speed at digging out and replacing ties. James Caestecker reached out to Dymax Inc. in June of 2024, who a quote of \$22,500, delivered to Campo. Dymax estimated that installation would take one to two days and could coordinate a welder to perform the work if requested.

Dymax required a billing and shipping address and noted that price might fluctuate due to shipping. Caestecker had also noted to Schweikert that prices might have gone up in the past

year. The board discussed potential material and labor price increases and estimated that \$35,000 would be sufficient to cover any such price increases or shipping costs.

Hager made a MOTION to authorize the expenditure of up to \$35,000.00 to acquire and install a hirail kit for PSRMA's New Holland LB75B Backhoe. 2nd by Lundquist. Motion carried 7-0-0.

27. Increase Donation to Student Elves for NPL - J. Brooker

Mark Landguth submitted a request to the board to increase the nightly donation to high schools providing student elves during North Pole Limited from \$750 to \$825. J. Brooker noted that she has agreed to sponsor the agenda item, but did not endorse it due to the lack of justification provided by Landguth. J. Brooker explained that the high schools provide 15-20 student elves per night and that the money paid to the schools was a donation for their student club(s), not a payment for services rendered. She opined that the quality of service provided by the students was inconsistent and that PSRMA could hire a handful of professional actors to fill these roles for the same cost as the donations to the high schools. Members of the board questioned whether the schools were asking for a larger donation, or whether Landguth wished to offer more as a value proposition. After discussion, the board agreed that because the payments to the high schools were donations and not compensation action, and if the schools had not asked for greater donations, then PSRMA would not offer more. No action was taken by the board at this time.

28. License agreement for MTS Bus Parking Relocation - Hager

MTS sent a final draft of the license agreement for the relocation of the bus parking from MTS to PSRMA property in Campo in order to enable the reconfiguration of PSRMA's front gates and fencing. A License Agreement is a type of real estate agreement that places an encumbrance on PSRMA property but isn't permanent and is less restrictive than an easement. There is a 36-month cancellation clause due to the hardship that MTS would endure if PSRMA abruptly terminated MTS's right to park on PSRMA property. There is no cost to PSRMA to enter into this agreement and it will result in MTS paying to install new fencing and gates to prevent trespassing onto PSRMA's property by the public and potential bad actors during the week. Both Lundquist and Hager had reviewed the agreement, and their comments were addressed by MTS. Hager requested board authorization to execute the License Agreement on behalf of PSRMA.

Lundquist made a motion to authorize President Stephen Hager to execute a License Agreement with the San Diego Metropolitan Transit System to relocate their bus parking onto PSRMA property across from the main entrance, and to install new fencing and gates at no cost to PSRMA. 2nd by Hager. Motion carried 7-0-0.

REPORTS

40. Media Committee Report – J. Brooker / Drenkow

J. Brooker didn't have any numbers from social media for this month. She invited Lundquist to give a report on his recent activities. Lundquist had been invited to a radio show with “Educational Media Foundation” and broadcast on Air1, their Christian radio network. Because PSRMA is a 501(C)3, Air1 will offer PSRMA free 15 second radio spots to advertise special events. J. Brooker reported that the San Diego Civic Theater can put PSRMA ads into their playbills as another means of advertising special events. Lundquist reached out for quotes, and they were received and presented to the board in the media committee report. Lundquist noted that he would be out of state during the summer; J. Brooker agreed to take over the project with the Civic Theater.

41. Special Events Committee Report – J. Brooker

The Bunny Train event was going well, however, J. Brooker reported that the special events committee struggled with a lack of volunteers for staffing the exhibit hall and decorating prior to the event. Regardless, J. Brooker reported that the Operations volunteers have been exemplary with full crews including students and observers. Ridership during the event was good, growing week to week. The weekend following the meeting was the final weekend of Bunny Trains for the year. The next weekend was the inaugural Backcountry Wine Train. J. Brooker reported that gross ticket sales were \$13,811. After expenditures, the estimated income per day is approximately \$9,000.00. PSRMA had been invited to the Vintage Alpine Festival on the weekend of April 27th. J. Brooker and David and Michelle Little were going to participate and host a table representing PSRMA. J. Brooker was preparing to arrange Campo Days with local vendors and live music. She was also planning a Beer Garden on Campo Days. Due to Campo Days being on Father's Day, there would be no standalone Father's Day event at the museum. PSRMA will offer discounts for Mother's Day during Mother's Day weekend in May.

42. Fundraiser Report – Spevack

Spevack provided an updated fundraising report via email. Hager reported that the paperwork for the San Diego County NRP Grant for the Depot Siding and the ARPA Stormwater Grant were in order

43. Equipment Report – Hager

Hager reported that the Equipment Department had its quarterly meeting at the beginning of April to schedule equipment workdays through the end of June. During the meeting, Hager provided hazmat training to volunteers to satisfy the state's annual training requirements. In March, volunteers cut up and disposed of several used oil drums that the county had taken to

during their inspection. Hager thanked Lundquist for transporting SD&A #7285's old batteries to a recycling facility. The Equipment Department was in the early stages of diagnosing and making repairs to the hydraulics on one of the machine tampers. Hager expected that the first step would be to have San Diego Hydraulics rebuild the turntable hydraulic ram on the tamper. Despite work by volunteers, the SD&A #103 Gang Car was still not running correctly. Volunteer Bryon Anderson was continuing his work on the Birthday Party Caboose and had more workdays planned in April and May.

44. Facilities Report – Denison

Denison reported that an underground conduit had been installed to supply power to track 8 to charge the Robert Peary car. PSRMA's contracted electrician had done some work on the double-wide trailer by the museum entrance. Lundquist reported that the concrete pad has been poured for the delivery CONEX box. The roofs of all three of the new library containers had been prepped and primed and were drying before the foam coating could continue. Exhibit Hall plumbing issues that arose during Bunny Trains were repaired and a rebuild kit for the men's urinal valve had been ordered. Hager mentioned that the north-eastern water spigot outside the Exhibit Hall was leaking, and the attached hose had numerous holes. Lundquist agreed to address the spigot and requested the hose to be disposed of and replaced. Morgan Snyder, Kerry Hebert, and Lundquist had picked up approximately 1/4 of the left-over concrete near the museum entrance and would continue disposing of it over time.

45. Museum Services Report – Lundquist

Lundquist reported that his recent efforts had been focused primarily on Facilities work.

46. Operations Report – Atwood

Atwood reported that David Little is now a crew caller and getting up to speed. A conductor class was starting soon with David Little and Ryan Hodge attending as students. Atwood noted that scheduling for Saturdays and Sundays had been mostly good with the volunteer shortage problem still showing, but with signs of improvement.

47. Vice President's Report – J. Brooker

J. Brooker had no separate items to report as Vice President.

48. President's Report – Hager

Hager reported that the Easement and Title reports for the stormwater project were in progress. Civil Landworks, PSRMA's engineering consultant, had roughly laid out the future buildings. UES, the Geotechnical subconsultant, would soon be scheduling a site visit to Campo to perform percolation testing. The engineering team was fairly confident that the design work would be completed before end of calendar year 2025, allowing bidding to go

out late in the year or in early 2026. Hager was able to get a Department of Industrial Relations project number set up for the project, which is required for PSRMA to comply with state prevailing wage requirements. The geotechnical field work is subject to these requirements, as will be the construction work.

Hager reported that the Campo Depot siding project was proceeding and scheduled to kick off on April 28th. The correct Hardie Board colors had been picked out and were on order by the contractor.

Hager reported that he had filled out the annual General Liability insurance application, and the quote should be coming soon. When Hager receives the bound policy, he will upload it to the Google Drive for board perusal. Hager took inventory of the work camper RVs; there are two that are surplus. Roark Stump owns two and was preparing to move one off the property. The other surplus RV is titled in Charles Smith's name; that RV is to be removed from the property. Hager spoke to Robert Smith who relayed that Charles Smith was willing to sign the title over to PSRMA which would allow the association to remove it from the property.

OTHER

50. Carry Forward Items: 10, 11, 12

51. Next scheduled meeting is: Friday, May 16, 2025

52. Deadline for submitting Agenda items for next meeting is: 5pm, Monday, May 12, 2025

53. Closed Session – Approval of the March 21, 2025, Closed Session Meeting Minutes

Hager made a MOTION to approve minutes as submitted. 2nd by Atwood. Motion carried 7-0-0.

54. Adjournment

Hager made a motion to adjourn. 2nd by Schweikert. Motion carried 7-0-0. Meeting adjourned at 21:41.

Minutes taken by Secretary Duke Schweikert