

This board meeting was conducted virtually, via Zoom, on the evening of Tuesday, January 31, 2023. All of the four officers were in attendance. These were President Mike Yuhas, Vice President Keith Schmidt, Treasurer Tara Grudzielanek, and Secretary Tom Marcussen. All five Directors Dan Grudzielanek, Andrew Roach, Ralph McClure, and Cathy and Neal Wegner were present. Two other members were present from the beginning: Steve Thomas and Ward Wells. Member Tom Sponsler joined at 7:32 pm.

President Mike Yuhas formally greeted everyone at 7:30 pm. He called the meeting to order, and started recording it, at 7:31 pm. He said that:

- He had added more detail under “new business” to the agenda that he had sent out on Sunday, January 29. He then displayed the revised agenda as a screen share.
- We obviously have a quorum. All officers and directors (see list above) are present. The meeting can proceed.

The first agenda item was review and approval of the minutes from the previous virtual board meeting held on Monday, November 7, 2022. Those minutes are posted on the Chapter Web Site. Keith Schmidt moved that the minutes be approved as posted. Ralph McClure seconded the motion. No corrections were suggested. There was no other discussion. The motion passed by a unanimous show-of-hands vote.

The second agenda item was the President’s remarks / report from Mike Yuhas. The renewal rate for 2023 is looking good. As of yesterday, we have 67 full members (who also belong to NRHS National) Those 67 are eligible to run for office, vote for officers and directors, and participate in discussion at the 2023 annual business meeting on Friday, February 3, 2023. A quorum is 5 per cent of that number. We shall need four members for a quorum. They can be present in person, on-line via Zoom, or submit a proxy in advance. We should easily reach a quorum. We also have another 55 subscribers who pay Chapter dues only.

The third agenda item was the Vice President’s remarks / report. Keith Schmidt said that he will be at the annual business meeting, and will preside if no new President is elected. Otherwise everything is going along normally. He reminded us that summer is coming up. We should start thinking about summer activities.

The fourth agenda item was the Treasurer’s report from Tara Grudzielanek. She showed us, via screen share, a first-draft spread sheet of assets, receipts, and expenses for 2022. Some changes were suggested. The revised report is included in these minutes (below):

Opening Balances

| | |
|---------------------------|-----------------|
| Opening Checkbook Balance | \$5,264.14 |
| Pay Pal Account | <u>1,523.87</u> |
| Net in Accounts | \$6,788.01 |

Receipts by Method

| | |
|------------------------------|-------------|
| Deposits to Checking | \$2,937.00 |
| Pay Pal Deposits (less fees) | 5,767.68 |
| Interest on Checking Account | <u>0.15</u> |

| | |
|----------------|------------|
| Total Receipts | \$8,704.83 |
|----------------|------------|

Receipts by Source

| | |
|---|-----------------|
| Dues & Donations | \$3,716.83 |
| Auction Items (October 7 meeting) | 503.00 |
| Banquet Receipts—October 1 (see Note 1) | 2,340.00 |
| East Troy Excursion—August 6 | <u>2,145.00</u> |
| Total Receipts | \$8,704.83 |

Expenses

| | |
|---|-----------------|
| Miscellaneous Supplies | \$138.51 |
| Annual Post Office Box Fee | 166.00 |
| Insurance—Securian | 584.00 |
| East Troy Trolley Museum—Donation | 500.00 |
| East Troy Trolley Museum—Excursion on August 6 | 2,123.72 |
| North Shore Congregational Church-Donation (See Note 2) | 660.00 |
| Banquet Cost—October 1 | 2,247.75 |
| Sales Taxes (there were no taxable sales in 2021) | 0.00 |
| Sales Tax License Fee (Wisconsin Dept. of Revenue) | 10.00 |
| Check Printing Fee | 35.35 |
| Sparks & Cinders (printing, postage & mailing supplies) | <u>2,961.55</u> |
| Total 2022 Expenses | \$9,426.89 |
| 2021 Checks Cleared in 2022 | <u>1,254.59</u> |
| Total Debits for 2022 | \$10,681.48 |

Closing Balances

| | |
|---------------------------------|-----------------|
| Closing Checkbook Balance | \$3,091.62 |
| Pay Pal Account Closing Balance | <u>1,719.74</u> |
| Total | \$4,811.36 |

Other Assets / Investments

| | |
|---|-------------|
| Chase Bank CD (matures March 2023) | \$28,592.66 |
| Heartland (Mutual) Fund (Dec. 31, 2022) | \$81,618.96 |

Notes to Treasurer's Report

- 1—includes a \$500.00 sponsorship from Wheel Rail Seminars
- 2—\$600.00 to church, and 60.00 to custodial staff (given in 2022)

The Heartland mutual fund has recovered some of its second and third quarter losses.

Keith Schmidt received a notice from the Post Office that box rental rates will be going up. Tara asked if there were any books that did not sell at the auction of Friday, October 7, 2022. The answer was yes. Most of these were general-interest "coffee table books." Some of these failed to get the minimum bid. We ran out of time to sell the others. The next question was—what should be done with them? No answer was provided.

The fifth agenda item was the third report from the new Financial Advisory Committee. Committee Chair Ward Wells took over. He had no report per se. There has been no change in the Committee's recommendations—as presented at the last Board of Directors meeting on Monday, November 7, 2022—and incorporated into the minutes.

The first financial sub-topic was our very-low-yield Certificate of Deposit (CD). It will mature on March 22. Chase Bank is currently paying a very low rate of 0.01% per year. Their rates have gone up some. They are still much less than we could get from a number of reliable stable (and fully insured) Wisconsin credit unions. He recommends that we pick a credit union, and establish a membership / relationship so that we can easily move the money when the maturity date arrives. He volunteered to do some rate shopping and come back with a recommendation. We should pick a term in the range of 12-24 months. We may want to split the one CD into two, with differing maturity dates, to diversify our rate-change risk. That recommendation has not changed. We shall also have to research who has the authority, and who must be present and/or sign to take the money out of Chase Bank and move it elsewhere, and exactly how that should be done. Treasurer Tara Grudzielanek will check into those issues.

The second financial sub-topic was the re-structuring of our Heartland mutual fund. Bon French recommended that we split our holdings into two separate funds—fixed income, for predictable regular returns and income—and growth, for maximum future returns and keeping up with inflation. The Federal Reserve Board will meet again on Wednesday, February 1. They are expected to raise rates by another 0.25 to 0.50 per cent. Anything beyond that is speculation. Where the national debt limit standoff goes is a big unknown.

Mike Yuhas asked for a show-of-hands consensus on the above. Are we all in agreement with the general directions that are proposed for our CD and mutual fund? He asked for a separate show of hands on each asset. All of the officers and directors were in agreement.

Mike Yuhas raised the issue of income tax liability for the above transactions. The CD interest is taxed in the year that it is received. It is paying very little—probably below the amount that triggers a filing requirement. Equity investments, including stocks, are taxed when they are sold. We have held the Heartland fund for many years. It has increased significantly in value during that time. Keith Schmidt found a record showing it was valued at about \$47,000.00 seven years ago. We are likely to realize a significant capital gain (the difference between sale price and purchase price), and incur a substantial capital gains tax on the assets transferred. The tax system would treat a transfer as a sale, triggering taxes due on profit since the asset was purchased. This would be a 2023 transaction / sale, which must be reported on the 2023 tax return due on April 15, 2024. We could be subject to a penalty if we did not make adequate estimated tax (ES) payments starting in the quarter that the sale occurred. Therefore we may need to address the topic of tax-exempt status (see below) first before we re-structure our mutual fund portfolio.

Ward Wells suggested that only the CD is urgent. We need to act before it renews again, at a very low rate, leaving trapped in it again. The mutual fund will move / float with the market. It is much more flexible than CD's. We can move money in or out of it, and re-balance the specific investment options that we own, at any time. He will ask Bon French if there has been any change in his allocation recommendations since they were last received.

The third financial sub-topic was our pursuit of tax-exempt 501 (c) (3) status. Member Jerry Krug had volunteered to assist with the filing process. He will need to work with our treasurer to prepare the paperwork. Mike Yuhas provided Jerry's e-mail address for that purpose.

The fourth financial sub-topic was our charitable giving policy. Mike Yuhas suggested that we table that one. Any discussion on it is premature until the above issues are resolved first. All were in agreement.

The sixth agenda item was the draft agenda for the 2023 annual business meeting and election on Friday, February 3, 2023. Mike Yuhas showed a screen share of the annual business meeting agenda from 2021. He will use that as a template to prepare something similar for this year.

The seventh agenda item was "New Business." Mike Yuhas had added several sub-topics under it.

The first sub-topic was our annual donation to the North Shore Congregational Church. We gave them \$600.00, plus a \$60.00 gift certificate for their custodian, in early 2022. We gave them \$500.00, plus \$50.00 for their custodian, in 2021 and an unknown number of years before that. We have been meeting there since 1964. They have been very good to us. The only question raised was—should we add to that amount? Their costs have gone up substantially in 2022, a year of high inflation. Various amounts from \$650.00 to \$750.00 were suggested. It was noted that we just gave them an increase last year, and these increases exceed the published rates of inflation. Mike Yuhas advanced the case for a \$750.00 donation. They just gave us a secure storage space for our new audio / visual equipment, which is a new benefit that we did not have before. What they are providing to us would cost much more on the open venue-rental market. The discussion developed a consensus in favor of the \$750.00 number, with \$75.00 for the custodian. Keith Schmidt moved that we donate those amounts. Dan Grudzielanek seconded the motion. There was no further discussion beyond the above. The motion passed by a unanimous show-of-hand vote.

President Mike Yuhas asked Treasurer Tara Grudzielanek if she were planning to be at the annual business meeting on Friday, February 3, in person. She said that she was. Mike asked her to have a \$750.00 check ready, as Music Director Rick Kieffer would be there representing the church. She was also asked to obtain a \$75.00 gift card for the custodian Mike Fugarino, given in appreciation for his extra work in cleaning up after us. Ward Wells cautioned her to shop for a fee-free card. Some issuers' fees are very abusive. The big-box stores are usually better than the major credit-card companies.

It was also noted that our April meeting has been moved to Friday, April 14, because April 7 is Good Friday.

The second sub-topic under "New Business" was the date of our annual Chapter banquet. Should we try to transition back to late spring? Or should we plan and schedule for October again? The consensus was in favor of October. It is almost too late to try for a late-spring date, because we will be competing with all of the weddings that were delayed by the pandemic. We will probably have more flexibility, and maybe lower prices, in October. Pallas is a good place to try for again. They have good food, a spacious room, and a central location. Mike Yuhas volunteered to start looking for a speaker. Neal and Cathy Wegner and Ralph McClure will approach Pallas to check out their availability dates and prices.

The eighth and agenda final item was "Anything else for the good of the order."

Our March 3 program will be “On the Eve of Staggers: Midwest Roads in the Late 1970s,” presented by Richard Koenig. A number the images shown will be from Bloomington, Indiana and environs.

Ward Wells asked if the Chapter will have an official presence (such as exhibit table) at the upcoming Mad City show in Madison the weekend of February 18-19. We are not planning to. Is it too late to get signed up now? Mad City is little more informal and flexible. Mike Yuhas reminded us that our booth, especially the signage, is outdated and in poor condition. It was done cheaply, and looks like it was done cheaply. It will need some work before we can do any exhibiting. Jim Rindt had said (at the last board meeting on November 7) that this daughter is a graphic designer. She may able to help with updating the signage for a more professional image. That opportunity was never pursued. We probably cannot do that in time for this year’s Mad City show. Mike Yuhas volunteered to connect with Jim Rindt again. He felt that Train Fest in November, and Mad City in February 2024, might be more realistic goals.

Steve Thomas suggested that we promote our meetings on Facebook. He has been developing a presence there for the East Troy Electric Railroad. He found a lot of railfans on Facebook. Keith Schmidt said that we have a Facebook page. He regularly posts advance notices of our meeting and other events there. We have gained some new members that way. We might consider trading cross-references with East Troy Electric Railroad’ page.

Keith Schmidt again brought up summer time activities. Is there anything we can do with the East Troy Electric Railroad that we have not done already? Do they offer a breakfast train? Steve Thomas said they do offer brunch trains, which can leave as early as 10:00 am. That is a possibility.

Keith Schmidt publicly acknowledged and thanked Mike Yuhas for his four years of service as our Chapter President (2019-2022). Mike Yuhas acknowledged and thanked the Board for supporting his efforts to adjust to the pandemic and expand our membership. He particularly recognized departing Board members Cathy Wegner and Ralph McClure for their service on the Board, and for organizing our annual Chapter Banquets. Mr. Yuhas said that he will continue to serve on the Chapter Board, promote our message and mission, manage memberships, and send out e-mail announcements of meetings and other events.

There was an inquiry about the recent on-time performance of the Amtrak Empire Builder. Neal and Cathy Wegner said that eastbound #8 has been running 2-3 hours late most days. Westbound #7 is usually (not always) pretty good. That has been typical for winter—even before the pandemic hit. They tend to do better in the summer.

There was no further business to discuss. President Mike Yuhas declared the board meeting adjourned at 8:46 pm. The recording ended shortly after that.

Respectfully Submitted
Thomas W. Marcussen
Wisconsin Chapter Secretary