



FRIENDS OF THE RAIL NPC

Non-profit company, Established 1986

Preserving South African Railway Heritage

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Minutes of the Annual General Meeting, 2014 Friends of the Rail Association NPC

Held at FOTR Depot and Station, Hermanstad, Pretoria
Saturday, 31 May 2014 at 14:30

Present:

Steve Appleton	Peter Damane	Nathan Berelowitz
Eric Samuels	John Hammill	Robert Dadford
Anthony Attwell	Gabor Kovacs	Philip Snyman
Zane de Lange	Johan (Chris) Koch	Steve Smith

Present by proxy:

Peter Odell (proxy: Nathan Berelowitz)	
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Apologies received:

Luca Lategan	Chris Janisch	Les Bray
Kobus Steyn	John Ashworth	Arno Victor
Billy Victor	Mike Haslam	Jean Dulez
David Benn		

Welcome and opening:

The association's 2013-14 chairman, Nathan Berelowitz, welcomed all present and pointed out that FOTR is heading towards 28 years of existence.

Minutes of previous AGM (2013):

Confirmed and approved. Proposed: Steve Smith, seconded: John Hammill.

Matters arising out of the previous AGM minutes:

Per the previous AGM minutes, Eric Samuels tabled a draft letter which he suggests FOTR should send to the Minister of Public Works in respect of the possibility of acquiring disused track from the Thaba-Tshwane military depot.

The Friends of the Rail Association, NPC

Registration No. 1995/009790/08

Directors 2014: SG Appleton* (secretary), A Attwell, NH Berelowitz (chairman), L Labuschagne, Z de Lange (vice treasurer), CE Janisch (vice-chairman), JA Koch (treasurer), SJ Smith, AC Victor
(* = British)

Chairman's Report – Nathan Berelowitz (2013-14 Chairman):

The 2013-14 Chairman, Nathan Berelowitz, said that every year brings its challenges. A much of the club [association] works on hard physical effort without which nothing would happen and no income would be earned. In that respect he thanked the footplate crews, the steam fitters (especially John and Robert Dadford), the on-board crews, the marketing team, and the board members. All of their efforts over the past year are really appreciated and vital to the club's existence.

He said that some things in the past year were disappointing. As Chairman, he said, he needed a good team to work with. However, he emphasized his disappointment with the lack of effort being put in during this past year. He said that this "snowballs" onto others. He said he was disappointed with the lack of communications. He added that although he realizes that members volunteer their services to FOTR and that much of what we do is hard and unglamorous work, for various reasons it has been difficult to get some tasks done and to get full commitment from some of the board members. The result is that many promised tasks are not completed when they should be. He said that we really do need teamwork.

He said that the good news is that every train we ran in the last year was basically successful. We have had two new firefighters passed. He congratulated Philip Snyman and Jaco Nieuwenhuis on their achievements and thanked Gabor Kovacs and Cliff Avis for their efforts in conducting the training. He thanked new member Zane de Lange for volunteering to assist with the financials and assisting the present Treasurer.

He said that our train timekeeping has improved thanks to improvements within the railways and various contacts therein. He added that our locos had also performed reasonably well through the year. There had been a few panics due to leaking tubes, etc, but no failures. New tubes have been ordered. Coaches have been repainted and now look good again. We hosted a successful film shoot (Faan se Trein) and hired out wagons to another hosted by Rovos (The Salvation). This keeps us in the public's eye. The Hermanstad site is looking better and a number of new trees have been planted courtesy of a donation from Sandstone. He thanked Wilf Mole and Les Labuschagne for this. Much of the scrap metal that had accumulated has either been sold or moved to clean up the public areas.

He said that it is looking positive for FOTR and that if we could sort out the few niggling issues it would go even better.

He mentioned that Reefsteamers is bringing a public train through for our 2014 July Open Day and that this bodes well for improved relations in the local steam heritage movement.

He mentioned that several of our drivers come up for recertification soon and that they will never stop studying if the proposal that recertification must take place every year becomes reality. This will place a huge burden on the volunteer drivers' available free time.

He referred to the intention to build an inspection pit at Hermanstad and said that this would greatly improve efficiencies and cut out the time it takes to light up and dispose of the locos before and after each trip by eliminating the time added on to run back and forth to Capital Park. Plus it will get us out of Rovos Rail.

He said that clearing up various items of scrap around the site has generated a lot of money towards the construction of the pit whilst tidying up the site. He also mentioned the likely donation of some ex-SANRASM assets, including track, when their

Randfontein site is finally vacated. This will help greatly at Hermanstad.

Financial report - Johan (Chris) Koch (2013-14 Treasurer):

Chris Koch presented the audited accounts and his financial report for FY 2013.

He said that over the 10 years of his treasury, he has often wondered what it really costs to run our operations. As a result, he had analyzed some of the financial data (invoicing and expenditure) between 2010 and 2013 the results of which he will present in a report along with the auditor's reports.

The prepared report and costs analysis was then presented by him and is attached to these minutes, forming a part thereof.

In questioning the analysis presented, Gabor Kovacs said that coal consumption quoted was definitely higher than it should be due to the poor quality of the coal being supplied lately which is inefficient in making steam.

The treasurer's analysis indicated that a single round trip to Cullinan costs R14 308.00. This does not include TFR and Metrorail access costs and marketing costs. It also does not include the costs relating to Hermanstad depot – lease, maintenance and security.

He said that R30 000.00 was the average income per Cullinan trip and that it does not take a rocket scientist to work out that after all the additional costs incurred the margin is very, very thin and that our expenditure needs to be very tightly controlled. He said that we must also stop leaning over backwards to accommodate foreign tourist companies. We are far too lenient with them. He pointed out that we made almost nothing out of the incoming tour trip last year.

On completion of the treasurer's analysis presentation, the chairman congratulated and thanked the treasurer for producing a very insightful and useful report.

Eric Samuels asked whether HRASA supplies the tube for our locos. The chairman said that we have to purchase them from suppliers. In response to another question asking about whether we have to pay the railway museum each time we run a locomotive, the chairman confirmed that such charges had fallen away some time ago.

The treasurer then presented a summary of income and expenses (also attached to these minutes) for the first quarter of this year.

He presented and explained a table of "train trip expenses", which he referred to as "hidden costs", not included in his running costs analysis. These expenses listed access fees and marketing fees for each train run.

At the conclusion of this, Steve Appleton suggested that by adding the two sets of expenses together, the real cost of running a train excursion to Cullinan could really be in the order of R40 000. This was confirmed by the treasurer.

The treasurer then referred to a table income and expense accounts relating to trains" (attached to these minutes). He explained the contents by using the example of the Valentine's train. The total income for that train was R52 850. The TFR access fees and marketing expenses came to R22 559 thus creating a surplus of R30 290 to be paid over to the FOTR main account. All the remaining expenses (fixed and variable) including the coal, water, maintenance, other operating expenses and a pro-rata portion of site rental have to be met by FOTR out of that surplus.

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Steve Appleton commented that in the section headed "Income and expenses related to trains" the totals show a gross income of R1 340 900 and gross expenses of R626 466. This leaves a gross income of R714 434 which must be applied to cover the actual costs of running trains (coal, water and sundries), site rental and labour, maintenance, repairs and restorations, etc. Steve said that this means, in effect, that almost half of FOTR's gross income is spent on marketing overheads and on TFR access fees. The treasurer commented that this is indeed so and explains why we battle to make leeway.

Gabor Kovacs asked about ticket prices, how much more we could charge and what the market could bear. The chairman said that this question could not be properly answered in the absence of the marketing team.

The treasurer then turned his attentions to the audited financial report from Eck and Eck Accountants. He read the auditor's report (attached).

He referred to the income and expense statement and said that the total income was R1 340 900.30 and total expenses was R1 188 106.57, creating a surplus of income less expenditure of R152 793.73 to be carried over. He explained that the sundry expenses of R931 119.94 were broken out on the next page headed "sundry expenses". He expressed concern that we had had to refund passengers R15 825 and hire busses at R43 950 caused by sleeper theft and cancelled trains – nearly R60 000 in lost revenue.

There was concern expressed that there were no TFR access fees listed in the sundry expenses. The treasurer confirmed that both the site rental and the access fees are lumped together (R308 371) under one single TFR account and are not separated out.

There being no further questions, the treasurer then referred to the balance sheet and confirmed that the long term loan refers to a loan kindly advanced by Ian Welsh of New Zealand (owner of the ex-REGM GMAM) a zero-interest loan of no fixed duration which was used to increase Hermanstad site security when his Garratt was moved in.

The treasurer then reported on the "15F" account. He said some R31 000 was raised in donations and after expenses on the CA restoration to date, R11 000 remains.

Eric Samuels asked about coal purchases and coal quality. The treasurer confirmed that we were buying coal from MacPhail who always met our needs with good quality, on-time supplies. Unfortunately since October 2013 they have been taken over by Chandler Coal (part of Wescoal) and we have experienced lots of problems since then. Deliveries and quality are erratic and poor. Eric thought we were buying direct from a mine. It was confirmed that we do not, we buy from a distributor. Gabor suggested that we should contact Optimum Collieries who once sponsored coal for the Witbank train race.

Getting back to finances, Steve Smith commented that we are running a very tight ship and that we have three options: increase revenue, cut expenses or a combination of both. He emphasized that we have to move to Hermanstad totally to reduce a whole lot of costs in running light locos between Hermanstad and Capital Park as well as eliminate the time constraints. This means that we have got build an inspection pit and provide coaling facilities as a minimum. Eric pointed out that we would also have to install extra security to protect the locomotives which would be targets for thieves. He added that we would also need a water tower and a larger water supply.

The treasurer then turned to the proposed 2014 budget. He has provided budget and expenditure comparisons with 2012 and 2013. He said he had cut marketing back to 5% although on reflection he says it really should remain at 10%. He said that he had not provided anything for training, assuming that no courses had been scheduled for this year. However Steve Smith said that we have to provide because we must do

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training this year. Gabor asked about cost implications for him and Tony Attwell to renew their certification. Steve S was unsure at this stage. Steve S said he hoped that Coach Controller and Train Manager training could be done for free as internally-run courses.

John Hammill asked about the lack of comparison figures in the financial report for the last financial year. He said this made it difficult to see what had changed year on year. The treasurer apologized, saying that the difficulties experienced with the audit last year had impacted on this. John also asked about monthly management financial reports so expenses can be tracked. The treasurer replied that he does produce these and that they are available and will be sent out to directors.

The Treasurer's report was accepted by the meeting. Proposed: Gabor Kovacs, seconded: Steve Smith.

The auditors, Eck and Eck were reappointed for the current financial year.

Election of Directors 2014-15

In terms of the constitution, all directors automatically stand down at the AGM but are eligible for re-election if nominated.

The existing directors have all been nominated. In addition, Les Labuschagne has been nominated for the post of "projects director", Zane de Lange for the post of "treasurer" and Gabor Kovacs for the post of "operations director". Given the large number of nominees, John Hammill stepped down and withdrew his nomination. The meeting thanked John for his generous services over the past year.

The following persons were elected for year 2014-15 unopposed by the meeting and have confirmed their availability. They have agreed to and are assigned to the following portfolios. Johan de Koch indicated that he would like to continue as treasurer and thus Zane was asked if he would deputize for him. He accepted.

Co-opted members form part of the executive (club management), but have not assumed legal directorship responsibilities.

Nathan Berelowitz – chairman
Chris Janisch – deputy chairman
Johan Koch – treasurer
Zane de Lange – deputy treasurer
Steve Appleton – secretary
Steve Smith – health and safety and RSR representative
Arno Victor – marketing
Les Labuschagne – site and projects
Tony Attwell – inter-club liaison (SANRASM, RSSA and Reefsteamers)
Gabor Kovacs – co-opted operations
Robert Dadford – co-opted technical

Any Other Business

SANRASM

John Hammill talked about SANRASM. He said that the disposition and removal process would start on Monday (2 June). Coaches would be initially taken by road to Reefsteamers where they could be repaired and roadworthy. Those coaches assigned to FOTR could then be transported to Hermanstad by rail.

Most of the track will then be lifted from SANRASM Randfontein and transported to Hermanstad. SANRASM will pay for the removal.

The meeting heartily thanked SANRASM. John confirmed that it is intended that all rolling stock would be divided between RS and FOTR and that no other external parties had been contacted. He added that it is probable that the wheels on the Wardale 19D would be allocated to FOTR because they are in good condition. However, being unique and despite the damage done by thieves, the Wardale would not be cut and would likely become a plinthed static exhibit. The loco is also subject to an insurance claim against the security company.

Steve Smith asked that if any white metal axle bearing are available, can SANRASM please send them our way? John replied that they all theirs had been "shopped" already.

Coal Conveyer

Robert Dadford told the meeting that he can get a single-phase 3 HP motor needed for the coal conveyer belt at R750.00. It was questioned whether this was powerful enough and what gearing would be needed. Robert added that larger single-phase motors are scarce and expensive; 3-phase motors are common and cheaper. The alternative would be petrol motor which would be inconvenient because it would have to be mounted at the top and would thus be inaccessible.

Gabor questioned the conveyer's suitability, saying the angle of incline may be too steep to convey coal up to a tender without it running back down.

Steve Appleton pointed out that FOTR had a large 3-phase generator on-site that could be started up whenever 3-phase power is needed, so why not supply and use a cheaper 3-phase motor? He argued that if we install a pit and use heavy machinery, we will need 3-phase power in the location anyway, so better to install it from the outset.

Steve Smith confirmed that we will indeed need such power eventually but stated that it was long run and 3-phase armored cable is expensive. He questioned whether it was top of the list.

John Hammill sked whether FOTR had considered acquiring a TLB? Nathan stated that renting one for evening use is not practical. John confirmed that he was thinking about purchasing one which could then also be used for other things too.

The subject was parked pending further enquiries by John Hammill and others.

Wastage

Robert said that there is a lot of wastage at present. Oil is over-filled and spilt; trimmings are not pulled out on loco disposition. Cotton waste is being wasted with bundles lying all over the place, etc. He urged personnel to cut down on waste.

Steve Smith suggested that we should look at bales of rags rather than cotton waste. He said that cloth works much better than the waste.

Locomotives

Robert pointed out that "our luck is running out" as regards our loco serviceability. The class 24 is still down for inspection and he said that he doubts that the class 19D tubing will not be finished within the next week and that we risk not running trains. He emphasized that he has many other commitments that require priority and he cannot

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spend all his time at FOTR. He said he does not get sufficient support and help from members and that spending 3 to 4 days per week by himself is not sufficient.

Eric asked about progress on the 15CA and 15F. Robert and Steve responded that progress on the CA is slow. The CA needs a number of stay caps replaced with new. In response to question about time frame, both responded that it is unlikely the CA will be completed this year. The tender however is nearly complete, needing a few welds and painting. Lagging plates are made and drilled but still a lot of work to be done. There are no plans to repair the 15F at present. The priority is being given to the CA.

Eric asked about the class 25 that we stored at Reefsteamers. It was confirmed that it is still there and that nothing has been done to it and that it would never be an economic loco for FOTR to run.

Track-laying machine at Plasser Rail

Gabor mentioned that privately-owned track laying machine has been brought into Plasser. He will endeavor to find out who owns and operates it because it may be of assistance to FOTR in moving track panels.

PRASA, Greenview

Gabor mentioned that Greenview is now progressing faster and that this should see an end to pilot working soon. Steve A confirmed that he was told by Metrorail's planning officer that they intend to have all the track-work operational by year-end.

Gabor also mentioned that PRASA has issued two major ballast cleaning and tamping tenders. The first would not affect FOTR because it would be on the main Pretoria-Johannesburg corridor, to create better track conditions for the new rolling stock to run on when it arrives. But the other might because it will involve various Metro line possessions around the Pretoria area. Steve A also mentioned the PRASA resignalling project and that whilst the first lines are in Soweto, it would also eventually arrive in the Pretoria area.

2015 Train schedule

Gabor implored FOTR to please have 2015 train schedule published by December 2014 and to offer a few alternative dates for the photographic people, preferably over a long weekend, and get them to commit early. We then need to get the plans to TFR and PRASA early so that we do not get hemmed in by occupations, etc.

Finances and co-operation

Tony Attwell commented that the financials are not great but that that other clubs have similar difficulties. He said he was glad of the improved co-operation between the various local clubs (SANRASM and Reefsteamers).

Security

Steve Smith said that he is getting quotes for new infra-red security beams for Hermanstad to increase security. The active beam units each contain 6 beams covering 1.3 metres in height and span a 70 metre length. They need to be mounted on posts all the way round the property and require a trench dug in which to lay cables. The boundary length is about 1.2 km. He said that then we will have three levels of perimeter defense, the fence itself, the electric fence and the beams. In addition when the locomotives are brought across, each would need to be fitted with passive infra-red detectors too as extra security. Steve S said that this would cost around R25 000.00 but given that we have lost R150 000 worth of white metal bearings, this is cheap and

essential expenditure.

Railway Safety Regulator audit

Steve S said that the RSR auditors were at Hermanstad on Wednesday (28 May) and that we apparently answered all their questions satisfactorily and that, bar a few documents they requested copies of, all seemed to go well.

Operations with other clubs

In response to a question by Eric Samuels, Steve A confirmed that a signed interface and operational agreement is in place with Reefsteamers covering safety and operational responsibilities whilst they are present on FOTR's site. A similar document has been created for the upcoming film shoot and would also be required if FOTR was to visit Reefsteamers depot.

Visit to Reefsteamers

Gabor asked about the possibility of FOTR visiting with a train at Reefsteamers' upcoming open day. Nathan responded that we have been in contact with them and would run there provided we can get enough passengers to cover the costs. If we ran, FOTR would also assist by picking up and dropping passengers at Rhodesfield station en route.

Passenger behaviour

Eric Samuels said that he had an occasion when a passenger deliberately disobeyed him and challenged his authority when caught standing and smoking between coaches. He asked what authority we had on board and whether we could arrest the person.

Steve A replied that we can theoretically effect a citizen's arrest because the person was indeed breaking the law by smoking in a public place. But, he asked, practically how do we do that? How do we constrain an uncooperative person and how do we get that person to a police station to hand him over and lay the charge?

Steve A added that when tickets are purchased, the purchaser agrees to several terms and conditions, one of which is to obey all safety instructions issued by FOTR crew. So, the easier and better alternative is to request the loco crew to stop the train at the nearest station or safe place and then put the person off the train. FOTR trains are private property and we have the right to refuse or withdraw admission to any person who is drunk or who behaves in an antisocial or an unsafe way or who contravenes any other legitimate FOTR rules or instructions.

Steve A reiterated that if a passenger is behaving in a way that is patently unsafe to the train, to another passenger or to himself, we are required by safety regulations to rectify that situation immediately and that we must stop the train there and then if necessary to ensure safety and prevent an incident. This should be done by contacting the driver or guard by radio.

Closure of meeting

There being no further business for discussion, the meeting was closed at 17:25