

**Red Springs and Northern Foundation, Inc.**  
**Post Office Box 700**  
**Parkton, NC 28371**



---

Chris Abbood – President  
Neil McKenzie – Vice President      Carey Boney – Treasurer      Tom Stallings - Secretary

---

## **Red Springs & Northern Foundation History and Description** **March, 2014**

This document was written to inform current and potential members with a history and current description of the RSN (Red Springs & Northern) Foundation’s activities. It will be transmitted via e-mail or mailed upon request. It can also be found on the Foundation’s website at [redspringsandnorthern.com](http://redspringsandnorthern.com).

This document was prepared with significant help from members past and present. A lot of the information comes from materials researched including “A History of the RS&N” by Charles Peter Wenk, RSN Incorporation Documents, Bylaws, RSN meeting minutes, personal interviews, NCDOT-Rail documents, Advancement Incorporated’s records, and RSN financial statements. Everyone’s efforts are appreciated.

### **HISTORY**

In 1984 the Seaboard Coast Line Railroad (now CSXT) sold their branch rail line from Parkton, NC, to Red Springs, NC. The line was acquired by Advancement Regional Business Lenders, Inc., of Lumberton NC (Advancement). Advancement is a nonprofit community development financial corporation. The railroad was then leased by Advancement to the Laurinburg & Southern Railroad (L&S). L&S ran as the contract railroad operator for several years. With no rail freight business prospects, L&S terminated the lease and Advancement put the line up for scrap sale in 2000. There was an offer to buy the line for scrap value. The bid was not accepted. Advancement entered into a “Work & Use” agreement with Rail Operators of the Carolinas.

Railcar Operators of the Carolinas (ROC) is a “not for profit” rail motorcar restoration group. In 1996 Railcar Operators of the Carolinas was organized at a dinner meeting near Cheraw, SC. In the late 1990’s, ROC members Earl Barber, Rick Tufts, Tom Stallings, and Carey Boney discovered the RSN line while Mr. Barber was doing timber scouting for Weyerhaeuser Inc. Mr. Barber researched the ownership of the line. It was found that Advancement of Lumberton, NC, held title to the line. Rick Tufts of ROC approached Mr. Robert Herring, Director of Advancement Inc. to determine if the line could be leased or used in exchange

for right-of- way maintenance. Advancement found it beneficial to undertake a “work for use agreement”.

A critical issue for Advancement Inc. was liability insurance for persons on the line. ROC had insurance available through the North American Rail Car Operators Association (NARCOA) as an affiliate organization. In 1999 the required insurance was obtained through NARCOA. The ROC/NARCOA operators, with certification and insurance began clearing the line in exchange for its use. An annual written Work & Ride agreement was made between Advancement and ROC. It was prepared by Rick Tufts. One NARCOA sanctioned ride per year was required to retain NARCOA insurance. The liability insurance was paid for by ROC members.

### **INCORPORATION - 2001**

On New Year’s Day 2001 several members of the ROC group and members of the Parkton Community met informally to discuss ways in which the railroad might be preserved as a possible tourist attraction and economic engine. That meeting evolved into a series of community meetings during the early spring of 2001 and a consensus that the line should be preserved was reached.

In May 2001, to preserve the railroad line, 3 ROC members formed the Red Springs & Northern Incorporated (RSN) a not for profit North Carolina Corporation. Those three individuals are:

1. Mr. Charles P. Wenk of Beaufort, NC, a commercial printer (active member)
2. Mr. Tom Stallings of Macclesfield, NC, an industrial engineer (active – Board Secretary)
3. Mr. Earl Barber, of Jamesville, NC, a commercial timber manager (active member)

The required incorporation papers are on file with the NC Secretary of State. (Re: 0580413) Bylaws were developed and adopted by the Board of Directors as established in the incorporation document.

After incorporation, RSN filed for and obtained certification as a 501 c (3) organization.

The line was leased by contract from Advancement by RSN in a document dated 3/24/02.

### **INCORPORATION STATEMENT**

The RS&N is chartered to “conduct historical research, work for the preservation of railroad equipment and artifacts, create and operate a museum, and work for the preservation of historical transport facilities”.

To that end, RSN focuses on maintaining the intact right-of-way. Many of the motorcars and pieces of rail related equipment “ARE IN FACT” preserved railroad artifacts. While RSN does not have a museum building, RSN has an historical transportation facility property.

RSN works to inventory, map, stabilize, and improve the rail facility in conjunction with the NCDOT-Rail plan.

#### **PURCHASE - 2004**

On November 24, 2004, the line was purchased from Advancement in “fee simple” by interested participants including members of the RSN Foundation, ROC members, and several local citizens. Most of the individuals in the acquisition were motorcar owners and had the equipment to access the line for maintenance. A down payment was raised and payments were made on a mortgage which continued until it was retired in June 2010 with the last payment to Advancement Inc. The single largest financial donor and the provider of first year’s insurance was Mr. Charles Pete Wenk. A significant portion of the mortgage funding was the sale of RSN property to Mountaire Inc. which was expanding plant operations. The purchase price was \$45,000.00.

#### **CORRIDOR DESCRIPTION**

The railroad right-of-way (ROW) is located south of Fayetteville, NC. It runs between Parkton, NC, 13.76 miles south to Red Springs, NC. The right-of-way is intact with rail, switches, grade crossings and four bent pile open deck trestles. The final ½ mile of track was cleared in Red Springs in 2013. The line has a newly (2013) constructed depot and an equipment storage trailer in Red Springs. Also a car storage rail siding was opened up for use.

The Foundation has rail “val” (valuation) map copies for the entire line. The line has recently been GIS inventoried and GPS mapped. Val maps are detailed predecessor railroad owner’s line maps and property descriptions. Drainage inventory status of watercourses, culverts, and trestles was recently (2/14) completed by Mr. Todd Petrea, CSX Bridge Inspector, who is certified by the Federal Railroad Administration (FRA).

RSN has an *inactive* connection with the CSXT railroad at Parkton, NC - ‘A’ line at CSXT milepost 222.70. RSN does not interchange with CSXT. It is protected by a CSX controlled derail. CSX has worked with RSN at the interchange and has recently (2/14) rebuilt the switch and lead track on to RSN right- of- way. RSN had previously worked with the CSX Engineers Office in Hamlet to establish property lines at the interchange point. Currently RSN provides no common carrier freight or passenger haulage. It exists to preserve potential rail service, history, and educational opportunities.

Four towns exist on the ROW. They are: Parkton, Lumber Bridge, Shannon and Red Springs.

- RSN is **NOT** a Federal Railroad Administration (FRA) or National Transportation Safety Board (NTSB) recognized or regulated railroad
- RSN does not operate any full size rail locomotive(s) or rolling stock
- RSN has 13.75 miles of single standard gauge track, with several sidings

- RSN operates 4-6 passenger excursion rides annually as fund raisers
- Excursions are usually less than two miles in length
- Excursions are operated using motorized gang car units and railroad gang cars
- Excursions use RSN flaggers at crossings affected
- RSN has 26 public “at grade” highway crossings- most rural without control devices
- RSN has 6 private at grade crossing-mostly farm and logging road access.
- There are 8 hand thrown switches on the line
- There are 4 pile bent trestles on the line

RSN owns two Fairmont motorized “gang” cars, 8 trailer rider cars, a maintenance flat car, an on-rail spray car and various hand tools. Members use their own motorcars to gain access to maintenance locations and to conduct weekly inspections. They provide hand and power tools as needed. Contractors supply all of their own equipment and personnel.

### **RSN FOUNDATION GOVERNANCE**

RS&N is governed by a 9 member Board of Directors (BOD) following membership approved written bylaws. Directors have 3 year terms. Elections are staggered, with usually three Directors up for election annually. Directors are elected by members of the organization in good standing who have voting rights.

The BOD meets monthly or more frequently as needed. The RSN Foundation “dues paying” membership as of January 2014 was 53. RS&N maintains financial statements, meeting minutes and other written materials governing business transactions. An annual budget is prepared and administered. RSN purchases liability insurance annually.

### **INSURANCE**

Insurance is necessitated by the operations of the RSN, including excursion rides, individual motor car operation, and maintenance work trains. Excursion trains are operated with tickets or other payment accepted for the service. This “for hire” activity exposes the Foundation to its greatest liability. Insurance is also needed for general liability, member’s liability while working on the line and any other damage incurred by the Foundation. An example would be a railroad crossing that is improperly maintained. Any damage that can be attributed to the crossing by deteriorated conditions is a liability. This could be an expensive claim.

In addition to general liability insurance, the Board of Directors has insurance for the first time this past year. This provides some indemnification against BOD decisions that result in damages or a claim of impropriety on behalf of the Foundation. Total insurance is this year is approximately \$5000.00. Insurance is getting harder to obtain and becoming more expensive. For RSN, **safety** is critical to its existence.

## SAFETY

Several members of the RSN Foundation are currently employed in the rail industry. Some are former rail employees or have experience in railroad related occupations. Others include mechanical engineers, hydraulic technicians, industrial mechanics, and civil construction management with a concern for safety and good equipment practices. All member's safety, knowledge, and values are critical to our most important goal which is SAFETY every day.

### RSN Foundation Safety Programs:

- Provides safety orientation for new members
- Conducts equipment operation mentoring (using NARCOA standards)
- Designates a safety liaison member who interfaces with Robeson County Emergency Management and area first responders
- Performs monthly inspection of "in service" mechanical equipment
- Conducts annual inspection of all rolling stock (gang cars, flat cars, sprayer, etc.)
- Conducts individual switch inspection maintenance & lubrication (8)
- Uses NC State licensed operators to apply chemical vegetation control
- Conducts individual job project safety briefings
- Mandates project specific personal protective wear
- Uses written operations rule books provided to each NARCOA operating member
- Performs twice monthly physical inspection of the line
- Performs individual ROW and track inspection for each excursion run
- Uses experienced RSN flaggers at each grade crossing for excursion runs
- Contracts with certified rail contractors for individual project work
- Has physically secured storage for equipment
- Uses radio communication on the NARCOA (Natl. Rail Car Owners Assoc.) frequency

Members use RSN and personal equipment to maintain the rail and ROW. Excursions use RSN motor cars and trailers. Approximately 4 excursions per year covering less than two miles are conducted. Excursion participation varies but averages 300 per event date. Excursions are operated using radio communication, controlled by a designated "trainmaster" and are operated at low speed (5-12 mph). Excursion cars are equipped with safety chains or doors. Excursion trains are inspected before each run. No more than one "train" is operated on the line at one time.

One A-4 Fairmont motorcar is owned by the RSN. It was purchased by Mr. Charles Pete Wenk, one of the incorporators, donated to RSN, and completely rebuilt by Tom Stallings. Painting it was coordinated by Tim Parnell. A second Fairmont 'A' car was purchased with RSN funds and is currently being rebuilt. It was purchased with RSN funds. Nearly every fundraising ride has been completed by using the equipment personally owned by an RSN member.

## **FINANCES, EXPENSES AND FUNDING:**

The RSN is funded through several sources that include:

- Membership dues of \$45.00/ yr – approximately 52 members in 2013
- Additional family member, \$5.00/yr – approximately 20 additional in 2013
- Sale of land or ROW – none in the past year
- Sale of equipment or other items- \$20,000 in 2013 from sale of FM locomotive
- Excursions vary dependent on weather impact on attendance
- Excursions – approximately \$8750 in 2013
- Gifts or donations – approximately \$300.00 in 2013
- Grants – none in 2013
- Matching gifts -\$1000.00 in 2013 for the new Red Springs Depot from ROC
- ROW encroachments – one time payments – approximately \$20,000 in 2013
- ROW encroachment annual payments – approximately \$9,000 in 2013

RSN has three certificates of deposit in a bank with a value of \$5,000 each at the end of 2013. The 2013 year end bank balance was approximately \$50,000.

NCDOT-Rail holds a lien on the property. In 1994 the “Shannon Bridge”, an open deck pile trestle, was burned. Arson was suspected but no arrest was made. The fire destroyed most of the decking. NCDOT provided the major finances along with help from Advancement and the Town of Red Springs to rebuild. The deck was completely rebuilt with steel and concrete resting on the existing piles. The significant NCDOT-Rail investment resulted in the lien they hold to this date.

RSN has currently (2014) authorized \$20,000 in ROW projects that are out for bid. One is the SR#20 grade crossing in Lumber Springs. 3 bids were received and it appears the cost will be higher by approximately \$5,000. The other project is Clearwater Road, a private road, owned by Murphy Brown Inc. (subsidiary of Smithfield Farms Inc.). RSN is negotiating to have them pay ½ of the estimated \$10,000 cost.

RSN’s greatest liability comes from the Community excursion rides followed by deteriorated public grade crossings. SAFETY is a necessity to remain viable. RSN’s CD deposits of \$15,000 will be quickly depleted to meet an insurance claim deductible.

RSN’s major expenditure categories in 2013 were:

- Christmas & Halloween Decorations, many members bought display items
- Excursion train costs- Halloween actors, Christmas Caroler, beverage & snacks, fuel
- New Depot for Red Springs - \$6500.00 in 2013, will finish interior in 2014
- Vegetation control- spray rig ,maintenance, chemical herbicides, contract brush flail, etc

- Track maintenance at Wagonwheel Rd. – contractor and supplies \$2,500
- Rehabilitate head block ties for seven switches – Koppers Ties, \$1000.00
- Rip/rap culvert project at MP 225.28, stone from quarry, fuel for trucking
- Improve Red Springs passenger loading area, stone from quarry

There are a number of minor projects that were funded. Accurate accounting records are kept. Each monthly BOD meeting has a section devoted to income and expense. At each BOD meeting the Directors are given a written budgetary report. At the completion of a BOD, the secretary prepares the written meeting minutes which contains a financial statement. This information is made available to each member by e-mail. A final end of year report is prepared for the IRS and is subject to their audit. The Secretary of State, through statutes regulating non-profits, may ask for an audit at any time.

What RSN *does not have* is an accurate accounting of member's personal donations for the purchase of supplies, equipment, fuel, motels, out of area member mileage during excursion train weekends, food consumed, and outright gifts of railroad related items that can be used.

## **LOOKING FORWARD**

As an introduction to this section and keeping in mind the goal is to preserve the railroad, this may be helpful to our current members, potential new members, and friends.

1. A new railroad tie purchased in Florence SC (nearest tie plant) is \$35.00/tie
2. Cost of transporting that tie to Red Springs is \$2.00/tie using member equipment
3. Installing the tie using a rail contractor – \$30.00/tie depending on number installed
4. Ties are set on 19 inch centers
5. 3200 ties to the mile
6. \$224,000 per mile for ties alone
7. Additional items are ballast, leveling & gauging, tie plates, joint bars, replace broken rail

For example, other recent NCDOT-Rail railroad project corridors (The P&N Corridor in Charlotte, NC) cost a little over \$1,000,000.00/mile, not including grade crossing upgrades, bridges or culvert work, ditching, and drainage.

RSN's greatest project challenges for funding in the coming year are:

1. Drainage, drainage, drainage
2. Public highway and city street crossing repairs
3. Vegetation control on the ROW
4. Tie replacement in critical sections (current worst is at 226.86, north of Chaison Rd)
5. Switch maintenance

6. Ballast must accompany any tie project or the dollars spent on ties and rail are wasted
7. Joint bar tightening, new bolts, and new bars where broken
8. A 2/14 FRA bridge inspection found several deficiencies that will need stabilization
9. Increase interaction with other railroad operators, preservation, and education groups

Looking ahead RSN's future looks good. Mountaire Inc. did commit to shipping frozen chicken by container rail. It was not enough car loads to sustain a contract operator. The old Kroft Metal plant is on line and has an active switch with RSN. The plant siding is used by RSN for equipment storage. The plant is active, but has no rail service. Cooperation with local economic and NC State development organizations may be initiated by the BOD. Murphy-Brown INC has indicated an interest in keeping the corridor alive. Their interest would be in hog feed pellet plant options. Significant open land is adjacent to the corridor making rail service a leveraged interest potential. Since the Incorporation, members and the BOD continue to discuss the ways and means to open the corridor to active railroad traffic.

The BOD recognizes that communications with the general membership has been lacking. This is a first attempt to improve the flow of communication. Suggestions for improved communication can be directed to BOD member John Cease, [jcease@ec.rr.com](mailto:jcease@ec.rr.com) or 4001 Chapra Drive, Wilmington, NC, 28412. Other BOD members will assist.