

THE MINNESOTA STREETCAR MUSEUM

Meeting Minutes

Board of Directors Meeting

Saturday – February 16, 2013

Linden Hills Park Recreation Center Building

Minneapolis, Minnesota

Directors Present: Dave French Chris Heck Aaron Isaacs
 Todd Bender James Vaitkunas Ben Franske
 Bob Bayers

Directors Absent: Darel Leipold

Others Present: Bill Arends Keith Anderson Don Nielsen
 Rod Eaton

Call to Order. The meeting was called to order by Board Chair Dave French at 9:10 AM. Chair French reported that Darel Leipold sent an e-mail to Secretary Vaitkunas stating he had a conflict and was unable to attend.

Approval of the Agenda. The draft agenda was changed to eliminate Ken Albrecht's report on the restoration of Winona No. 10 since Ken was unable to attend this meeting.

Approval of Minutes of the Board meeting held on June 23, 2012 and September 22, 2012. The minutes of the Board meetings held on June 23, 2012 and September 22, 2012 were approved with no changes.

Corporate Secretary's Report.

Secretary Jim Vaitkunas reported to the Directors that our Museum's annual meeting is set for March 16, 2013 at the Mill City Museum in Minneapolis. However, Vaitkunas reported that he now has a personal conflict with this date and will be unable to attend. Chris Heck has agreed to be the person to record the minutes of the Annual member's meeting and the votes taken. Vaitkunas promised to provide an outline (agenda) of the annual meeting and a script listing the necessary motions and votes that need to be taken at the annual meeting.

Vaitkunas announced that since no nominations were received for the two Director positions up for election by the deadline (postmarked no later than January 2, 2013) that the two incumbents, Dave French and Aaron Isaacs, will be elected by acclamation at the annual meeting. Both individuals have agreed to serve for another three-year term.

Vaitkunas then distributed copies of MSM Policy No. 3, Conflict of Interest and requested that the Directors take a few minutes to read this policy. The Museum is required by the federal Sarbanes-Oxley law to have this policy and to comply with its requirements, one of which is that Directors and other persons of interest involved in managing the Museum's affairs, and specifically the spending of funds, complete a form each year they are in a position of authority. Vaitkunas then requested the Directors and others present to complete and sign the form.

MINUTES

MSM Board of Directors Meeting
Saturday – February 16, 2013

Electronic Votes taken since the last Board meeting. Corporate Secretary Jim Vaitkunas reported that five motions were submitted to the Directors since the last Board meeting. These motions voted on by return e-mail, or e-votes, need to be reaffirmed by the Directors. The subjects of the e-votes were:

- Approval of the annual report to the Minnesota Attorney General.
- Installation of the sewer line into the George Isaacs carbarn.
- Approval of the delegates to the ARM/TRAIN annual meeting.
- Approval of the merger of ARM and TRAIN into the Association of Tourist Railroads and Railway Museums (ATRRM).
- Approval of the contract to build the bathroom in the Isaacs carbarn.

Vaitkunas distributed a summary sheet listing the five motions and resulting votes to the Directors for their review.

MOTION: Made by Aaron Isaacs; 2nd by Bob Bayers.

That the five electronic votes listed above and on the attached summary sheet be approved without change.

VOTE: Approved unanimously.

Treasurer's Report. Treasurer Keith Anderson made some general comments on the financial reports for fiscal year 2012 that were sent to the Directors one week ago. After review of these reports and brief discussion, the reports were accepted.

Anderson then gave those present an overview of the recent expenses he has paid and had some questions for Ken Albrecht regarding invoices and expenses for the Winona No. 10 project. However, Albrecht was not present at the meeting so those questions had to be deferred. Anderson did state that he needs Board approval to pay a \$35,000 bill from Lyons Industries for the work on the truck for No. 10.

Director Ben Franske then commented on the funding for Winona 10 which resulted in several minutes of discussion regarding the Winona No. 10 expenses and how to account for them. The final decision was to transfer the funds from the air compressor rebuild account into the Winona No. 10 account and then the balance of the \$30,000.00 from unrestricted as one of the two completed air compressor rebuilds had been charged to the Winona No. 10 account. After more discussion involving Anderson, MSM Bookkeeper Don Nielsen and several other Directors, the following motion was made.

MOTION: Made by Aaron Isaacs; 2nd by Bob Bayers.

To transfer \$30,000 from the unrestricted funds account to the Winona 10 account funds to pay the Lyons Industries bill, and any other bills that might come due in the next six months. In addition, the \$5,530.00 balance in the rebuilt air compressors account is transferred to the Winona No. 10 account.

VOTE: Approved unanimously.

MINUTES

MSM Board of Directors Meeting
Saturday – February 16, 2013

Anderson then discussed MSM's 2013 budget. This resulted in questions from the Directors and follow-up discussion on several items and issues in the budget. These included clarification on the cost of MSM's liability insurance and the proper allocation of expenses for several of MSM's special events. Adjustments were made to the budget as the questions and issues were resolved. MSM Bookkeeper Don Nielsen will revise the budget and will send it to the Directors and other interested parties for final review. In the meantime the following motion was made.

MOTION: Made by Aaron Isaacs; 2nd by Bob Bayers.
The 2013 budget with modifications and changes is approved.
VOTE: Approved unanimously.

Aaron Isaacs then suggested that the Board consider transferring additional funds into the carbarn improvement fund. Isaacs stated that environmental and rain water run-off surveys would need to be done before any work is started on the carbarn expansion project. Isaacs further commented that the cost of the water runoff survey is estimated to be \$10,000. Keith Anderson commented that his company can probably do the work for less. Isaacs estimates that the environmental work and approval from the Minneapolis Park and Recreation Board will take up most of 2013 and hopes that with receipt of several grants that the carbarn expansion work can be done in 2014. However, other expenses might surface during the process so Isaacs recommends that \$25,000 be allocated to the carbarn expansion funds to pay for the rain water run-off work and to cover any additional contingencies. After further discussion the following motion was made.

MOTION: Made by Aaron Isaacs; 2nd by Bob Bayers.
That \$25,000 is transferred from the unrestricted funds account to the carbarn expansion fund account to pay for necessary environmental and water run-off surveys required by the City of Minneapolis and other governmental regulatory agencies.
VOTE: Approved unanimously.

Aaron then briefed the Board on the overall status of the project. The Park Board has given informal approval but that several other items need to happen before final approval can be given. One of these is holding a neighborhood meeting to allow people in the Linden Hills neighborhood to comment on the project.

Treasurer Anderson reported that annual IRS tax return (Form 990) and Minnesota tax returns are being worked on by him and Don Nielsen. These should be ready for submission to the Board for approval o/a April 1, 2013. This will be done by e-vote. Then, they'll be signed by the Board Chair and submitted to the IRS no later than May 15, 2013. Anderson then gave many thanks to Don Nielsen for his outstanding work with MSM's financial accounting, work on the budget, tax forms, etc. Don has been a real asset to the Museum. The Directors concurred in Anderson's comments by a round of applause.

MINUTES

MSM Board of Directors Meeting
Saturday – February 16, 2013

General Superintendent's Report. MSM General Superintendent, Bill Arends reports.

- Benches are stained at the Linden Hills station.
- Merchandise inventory was accomplished with Charles Barthold.
- The bathroom project is about 85% completed.
- Preventive maintenance is underway on the operating streetcars at both railways.
- The 2012 volunteer statistics reveals a disparity in the Operators who volunteer frequently and help in operations versus those who are doing almost nothing.
- The year 2012 was a good one for charters.
- Ridership was down about 1000 passengers compared to 2011.
- The Operations Committee meeting will be held on March 9, 2013.
- No one has stepped forward to volunteer to be the MSM Operations Chief, replacing Jim Vaitkunas, as announced in the last issue of the newsletter.

Excelsior Streetcar Line Superintendent's Report.

Highlights at the Excelsior Streetcar Line for 2012:

- Increased ridership for Trick N Treat Trolley of 11.
- Charter ridership increased by 193.
- Sunday ridership increased by 130.
- Donation jar increased \$116.00.
- Merchandise sales increased \$ 16.00.

ESL had nine operators/foreman who volunteered 33 hours or more for 2012 with Don Nielsen having 101 hours. Marv Krafve was able to schedule 771 operating hours from our 34 person roster. Thank you, Chris Heck, Chief Trainer, for eight new active operators.

As shown on the below table, ESL's ridership in 2012 was slightly lower compared to 2011. Income was \$10,561, a decrease of \$ 1292.00.

Statistical Recapitulation and Comparison.

	2011	2012	Change
Thursday	874	780	-94
Saturday	931	1010	+79
Sunday	406	536	+130
Crazy Days	208	178	-30
Story Time	280	188	-92
Halloween	1667	1034	-633
Trick N Trolley	48	59	+11
Santa Trolley	1311	1086	-225
Memorial Day	41	39	-2
July 4th	43	0	-43
Labor Day	52	42	-10
Apple Days	227	223	-4
Charters	257	450	+193
TOTALS	6345	5625	-720

MINUTES

MSM Board of Directors Meeting
Saturday – February 16, 2013

Comments after the Halloween Trolley stated that exhibits along the trail were not as great as previous years. To remedy this ESL has agreed to organize two or three additional exhibits for 2013. Several western organizations are having “Halloween Celebrations”. Therefore we need to help the Historical museum improve our staging which hopefully will restore ridership.

ESL is grateful to Scott Heiderich and Mike Miller for the many hours of planning and installation of ESL’s overhead wire project. Many volunteers assisted them making this project a success.

Karl Jones has agreed to get car 78 and car 1239 in operating condition for the 2013 season with help from Todd Bender and hopefully other volunteers.

Hennepin County will begin library construction this spring as soon as the weather permits. We will start conversations with the new staff to see what programs and activities ESL can participate in to promote streetcar interest with the new building location.

The Metropolitan Council Environmental Services has decided not to dig in the Morse Avenue area in 2013. They will end in the Greenwood area of St. Alban’s Bay for 2013.

We continue to be active talking to the City of Excelsior, Excelsior-Lake Minnetonka Chamber of Commerce, Minnetonka School District and the merchants along Water Street on ways to improve ridership on the streetcar. Excelsior is growing with new enthusiasm, merchants and buildings. ESL intends to capitalize on this movement to increase knowledge of the Twin City Rapid Line history, ridership and how MSM participates in this picture.

Bruce Kobs

February 10, 2013

Todd Bender has some additional comments to make but stated that Bruce’s report covered everything.

George K. Isaacs Car barn Improvements Project.

Since there was much detailed discussion on this project during the Treasurer’s report, there was no further discussion at this time.


Other Business. Treasurer Keith Anderson asked several questions relative to the Winona No. 10 restoration project. None of the Directors were able to respond, so Anderson stated that he’d send project manager Ken Albrecht an e-mail with the questions. Several Directors also stated that they were unsure regarding where the project is, when it might be finished, etc. Chair Dave French stated that he will send Ken a note asking for an update on the project and specifically on projected additional expenses for the restoration and the estimated completion date.

Date and Location of Next meeting: The Directors were reminded that the annual Board meeting to elect the coming year’s officers will be held on March 16th, immediately after the regular annual member’s meeting at the Mill City Museum. Secretary Vaitkunas stated that he is willing to stand for re-election to the Corporate Secretary’s position since he will not be at MSM’s annual member’s meeting. The next regular Board meeting was tentatively set for a date in May, 2013. Final date and location will be coordinated between the Board Chair and the Secretary.

MINUTES

MSM Board of Directors Meeting
Saturday – February 16, 2013

The meeting adjourned at 10:45 AM.


James A. Vaitkunas
Corporate Secretary

Attachments:

- Summary of Electronic Motions and Votes taken since the June 23, 2012 Board meeting
- 2012 year-end Finance reports
- 2013 approved budget

Summary of Electronic Motions and Votes

July 7, 2012

SUBJECT: Approval of MSM's Annual Report to the Minnesota Attorney General

MOTION.

The Annual Report to the Minnesota Attorney General, with attachments, is approved as to form and content.

VOTE: *Approved unanimously.*

July 31, 2012

SUBJECT: Installation of Sewer Line in Isaacs Carbarn

MOTION.

The Minnesota Streetcar Museum will enter into a contractual agreement with Cichy's Water & Sewer Company of Minneapolis, Minnesota in accordance with their proposal (attached) to have a sanitary sewer line installed from a suitable location in the George Isaacs carbarn to an acceptable connection with the Minneapolis sewer system. The cost for the work will be a minimum of \$10,000 with the maximum cost of \$14,000 as specified in their proposal.

VOTE: *Approved unanimously.*

October 8, 2012

MOTION #1.

SUBJECT: Appointment of MSM Delegates to the 2012 Association of Railway Museums Annual Meeting

MOTION: The Minnesota Streetcar Museum's primary delegate to the Association of Railway Museums' special and annual meetings to be held on November 8 and 10, 2012 (and any other dates if necessary) will be James A. Vaitkunas. Alternate delegate will be John Prestholdt.

VOTE: *Approved YES - 7; Not voting - 1*

MOTION #2

SUBJECT: Approval of the merger the Association of Railway Museums (ARM) and the Tourist Railway Association (TRAIN)

MOTION: The Minnesota Streetcar Museum's delegates to any and all jointly convened meetings of the Association of Railway Museums (ARM) and Tourist Railway Association (TRAIN) to be held on November 7 to 10, 2012 are hereby directed to vote in the affirmative (vote YES) to any votes requesting to approve the merger of ARM and TRAIN to form the Association of Tourist Railroads and Railway Museums (ATRRM).

VOTE: *Approved YES - 7; Not voting - 1*

November 5, 2012

MOTION.

To accept the bid submitted by Barnes Plumbing to complete the building and equipping of the toilet and washing facility in the George K. Isaacs carbarn.

VOTE. *Approved unanimously.*