

THE MINNESOTA STREETCAR MUSEUM

Meeting Minutes.

Board of Directors Meeting
Saturday – December 9, 2017

Hennepin County Library -- Excelsior Branch
Excelsior, Minnesota

Directors Present:	John Dillery	Ben Franske	Aaron Isaacs
	Karen Kertzman	Dave French	James Vaitkunas
	Darel Leipold	Myrle Mackenzie	
Directors Absent:	Joe Young	Bob Bayers	
Others Present:	Keith Anderson	Bill Arends	Todd Bender
	Pat Cosgrove	Scott Heiderich	Jim Kertzman
	Howie Melco	Dick Zawacki	

Call to Order. The meeting was called to order by Board Chair **Aaron Isaacs** at 9:59 AM. Corporate Secretary **Jim Vaitkunas** reported that with 8 Directors present at this meeting, we have a quorum to conduct official Museum business.

Approval of the Agenda. The draft agenda was approved with no changes.

Approval of Minutes. Minutes of the Board of Directors meeting held on July 7, 2017 was approved with no changes.

Board Chair's Report. Chair **Isaacs** started off his report by welcoming our new Class II Director, **Myrle Mackenzie**. Mackenzie gave a brief summary of her background, after which **Isaacs** asked the people present in the room to introduce themselves which they did.

Isaacs' presentation consisted of a year-end summary of what has been accomplished in 2017. The past year was, by all accounts, one of the busiest for the Museum. Many projects were completed, and many great improvements made to the Museum's infrastructure and support services.

- The restoration of Winona 10 was completed with the streetcar making it's first runs carrying passengers. The project took 13 years to complete and MSM spent close to \$250,000 on the project.
- TCRT No. 1300's trucks are now rebuilt, and the car will be ready for service in 2018.
- The Museum hosted the 2017 HRA fall conference, which was a major effort on the part of fifty-plus MSM volunteers. We've received nothing but positive feedback from the attendees. We probably will make some money on the conference.
- At ESL, the concrete floor was put into the cold barn and a large concrete platform was poured at the Water street platform.
- The ESL carbarn received a comprehensive electrical upgrade.
- The final work on the Isaacs carbarn addition was completed, with thanks to **Dennis Stephens** and the Tuesday morning and Saturday morning shop volunteers.

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- The Linden Hills station's garden was much improved because of the hard work of **Ben** and **Mary Porter**.
- **Ben Franske** has been hard at work with information technology upgrades at CHSL. Ben was also responsible for getting the new, and much improved, MSM website up and running.
- The all color Twin City Lines photo book authored by **Aaron Isaacs** was published.
- The four-part history sessions were developed by **Aaron Isaacs** and put on YouTube by **Ben Franske**.

The year 2018 will hopefully be less hectic, but we do have a couple of projects that will need our attention and some resources.

- The Lake Calhoun platform will be rebuilt as a full-length concrete platform so that all doors on our streetcars will have access to a safe boarding platform.
- The trucks for TCRT No. 1239 will be rebuilt. We'll discuss this project later during this meeting.
- We should begin planning for the ceremony to celebrate the completion of the Winona No. 10 restoration. This should occur sometime in May and we need to go all out with media coverage for the event.

Corporate Secretary's Report. Corporate Secretary **Jim Vaitkunas** reported that the notice for the annual meeting and election of Directors went to all members on November 30th. Unfortunately, the exact date and location could not be established by November 30th, primarily because of the late start in procuring a suitable location. For the 2018 annual meeting, Chair **Isaacs** directed that the meeting be held in Excelsior, Minnesota. This will be the first time that MSM will hold its annual meeting in Excelsior since formation of the Museum in 2005. **Vaitkunas** then stated that just as soon as the date and location are established, he'll send out a revised notice to all MSM members.

Vaitkunas then commented that he has finished the initial draft of the new MSM Bylaws but would wait until the topic comes up in accordance with the meeting agenda.

Electronic Votes taken since the last Board meeting. Corporate Secretary **Vaitkunas** reported that there were two motions made and votes taken by e-mail since the last Board meeting. The motions' dates and subjects were as follows.

- July 21, 2017 – Appointment of **Myrle Mackenzie** to the Board as a Class II Director.
- August 31, 2017 – Appointment of **James Vaitkunas** as the MSM representative at the HeritageRail Alliance annual meeting in October, 2017.

Both electronic motions were approved by the Directors with no dissenting votes. The following motion was then made.

MOTION: Made by Darel Leipold; 2nd by Dave French

The electronic votes conducted on July 21, 2017 and August 31, 2017 are affirmed and approved without change.

VOTE: YES – 8; NO – 0. *Motion approved.*

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Treasurer's Report. MSM Treasurer **Keith Anderson** commented that he had the 3rd quarter financial statements. However, because there is so much late-year revenue yet to be counted, the 3rd quarter financials give an incomplete picture of our financial status. That will have to wait for the 4th quarter reports. On an interim basis, **Anderson** distributed the QuickBooks statement of cash flows report (attached to these minutes) and briefly discussed it.

Anderson then briefed on the development of the budget for 2018 which will be done in January 2018. The budget is divided into two parts: the operating budget; and the capital projects budget. The budget should be ready for approval at the next board meeting schedule for sometime in February.

Anderson reported that MSM volunteer **Steve McCulloch** will be come the MSM Treasurer when **Anderson** retires in the spring. **McCulloch's** volunteering for this position was great timing so he can be involved with the budget development process and the preparation of the 2017 IRS Form 990 tax return. **Anderson** commented that he's very pleased that Steve stepped up as he has a good background in financial operations.

General Superintendent's Report. General Superintendent **Bruce Gustafson** previously submitted his report and this is attached to these minutes. The report was also sent to the Directors and others prior to this meeting. **Gustafson** reviewed the report with the directors to highlight several important issues. The directors had several questions which were answered by **Gustafson**.

Excelsior Streetcar Line Superintendent's Report. ESL Superintendent **Todd Bender** rendered the ESL report in written form previously (attached to these minutes) and was present to answer any questions. **Todd** discussed several of the issues listed in his report including the crew requirements and the importance of the special events.

Rebuilding TCRT 1239's Trucks. Chair **Isaacs** gave a brief recap of the work on TCRT No. 1300's trucks and some lessons learned from that project. **Isaacs** commented that **Scott Heiderich** introduced us to **Rob Mangels** who did a good job on No. 1300's trucks. Some of the work was done off-site but most of the work was done at the **Isaacs** carbarn with a lot of work by the shop volunteers. This saved the Museum a lot of money while allowing the shop crew to learn how a truck functions.

Isaacs then stated that since the trucks under No. 1239 came from a Chicago Transit Authority elevated car, they are not historic. In this case we're not bound by any historic preservation rules like we were with No. 1300's trucks. Therefore, the general plan is to rebuild the trucks with as much new materials and components as possible. For the No. 1239 project we can do some deliberate planning and work rather than having to deal with an emergency like we had to with No. 1300's failed wheel bearing. **Isaacs** also stated that the bulk of the work would still be done at the Museum's **Isaacs** carbarn and shop mainly for the convenience of the shop crew who will be doing the work.

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After Isaacs concluded his overview, **Howie Melco** then commented that it would not be good for No. 1239 to sit in the ESL carbarn for a year while the trucks were worked on at Como-Harriet. Even if the car was on shop trucks so it was semi-mobile, the car would be out of service and not available for revenue operations. **Melco** suggested that the car be moved to Como-Harriet and Duluth No. 265 replace No. 1239 at Excelsior.

Jim Kertzman then stated that ESL needs a full-size standard car for the special events at ESL, especially the story time trolley and the holiday events. Duluth No. 78 and Winona No. 10 are just too small for these events. Chair **Isaacs** turned to ESL Superintendent **Todd Bender** for his thoughts on this issue and **Bender** stated that he supports swapping No. 1239 for No. 265. The general feeling around the table was that swapping the two streetcars was a good plan. **Isaacs** then commented to Chief Mechanical Officer **Dick Zawacki** and **Dennis Stephens** that they should start the planning to make the swap.

At this point Chair **Isaacs** recommended that the Museum hire **Rob Mangels** to work on the project to rebuild No. 1239's trucks and called for a motion to that effect.

MOTION: Made by Jim Vaitkunas; 2nd by Karen Kertzman
That the Museum hire Mr. Rob Mangels to rebuild the trucks currently under TCRT No. 1239. The projected budget for the work would not exceed \$150,000 dollars.
VOTE: YES – 8; NO – 0. *Motion approved.*

Information Technology Update and proposals. MSM's Information Technology manager **Ben Franske** gave the directors an update on progress he has made on various Info Technology-related projects and initiatives. His full report is attached to these minutes. Highlights and items that were discussed included.

- New website for MSM seems to be working well.
- Outfitting the new MSM office in the Isaacs carbarn addition.
- Low-voltage power supplies for TCRT No. 1300 and Duluth No. 265 which eliminates the need for trickle battery charging on those two streetcars.
- Converting our membership database to new software that is more capable and allows our members to renew their memberships on-line.
- Internet/telecommunications will be upgraded at CHSL.
- Internet access and credit card processing will be established at ESL.

Regarding the membership database action, our current Membership Services Director, **John DeWitt**, will be retiring from that position in the spring of 2018, so it's incumbent on us to transition to a better system than the one we are using now which is strictly a manual system. Secretary **Vaitkunas** then commented that while the new membership management software will be an improvement, that there will still be a need for someone to send out renewal notices, process new and renewal memberships for those who can't or won't use the new system, send out membership cards, etc. This is very labor intensive and will still require a Membership Services Director to manage and do the work.

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Chair Isaacs reported that he has been working on the Museum getting its electric power from solar panels which will actually lower the cost of our electricity.

Revising MSM's Bylaws. Corporate Secretary **Vaitkunas** began the discussion with a brief overview of what generated his efforts to revise the Museum's Bylaws. In brief, Chair **Isaacs** directed **Vaitkunas** to revise our Bylaws about a year ago. After some false starts and other distractions (e.g., the 2017 HRA conference), we are now to the point where a draft is ready for distribution and review. The draft Bylaws were sent to all directors and selected others about one week ago.

Vaitkunas stated that the objectives of this effort were as follows.

- Eliminate provisions in our current Bylaws that seemed to be no longer valid.
- Make our Bylaws easier to understand.
- Eliminate unnecessary procedures and other detail.
- Provide more flexibility to the Board in organizing and managing our Museum.

Vaitkunas then continued that revising our Bylaws is a serious undertaking, as noted in the Minnesota Secretary of State's information for non-profit organizations. Rather than trying wholesale amendments to our current Bylaws, **Vaitkunas** worked from the premise that the draft Bylaws be freshly written by taking items from several different sources. These sources included:

- Minnesota statute 317A that governs non-profit organizations;
- The HeritageRail Alliance's Bylaws recently updated by that organization's Board;
- Sample bylaws found on the website of the Minnesota Council of Non-Profits; and,
- Critical sections of our current Bylaws.

In summary, major concepts and items that are currently in our Bylaws that are now eliminated or modified are as follows.

- Simplified the membership categories to eliminate some that were clearly not necessary.
- Eliminates the separate category of "voting member" which was a member who had volunteered for at least 12 hours in a fiscal year.
- All categories of members are now eligible to vote except for the honorary members.
- The times for the call for the annual meeting is now not less than 30 days nor more than 60 days prior to the date of the annual meeting.
- The quorum for a members meeting is now the number of members present at the meeting, not 10-percent of eligible voting members.
- Election of Directors in a contested election (i.e., an election when there are more candidates than vacancies) will now be done only at the annual meeting. No mail-in ballots.
- Members will not be able to petition for a special meeting. Only the Chair or the Board can schedule a special meeting.
- Class I and II directors are renamed class A and B directors.

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- Eliminated much of the content of articles 5 through 8 as having too much detail.
- Eliminated most of the instructions in the fiscal management article 9 in our current Bylaws. The remaining fiscal management content was put into article 7.

Directors should take note that some of these provisions are controversial:


- no minimum number of members to constitute a quorum at an annual or special meeting;
- members cannot vote by mail and proxy voting is prohibited;
- voting members can no longer petition for a special meeting; and,
- elimination of the conflict of interest provision.

Vaitkunas concluded his presentation stating that the draft Bylaws was sent to the directors about a week ago. Our meeting this morning is the equivalent to a “first reading.” **Vaitkunas** earlier had recommended to Chair **Isaacs** that the directors not vote on the new Bylaws until the first BOD meeting in 2018, which will likely be towards the middle of February 2018. **Isaacs** concurred.

Chair **Isaacs** then asked the directors to review the draft Bylaws in detail over the holidays. The directors should contact Secretary **Vaitkunas** if they have any questions, comments or suggestions regarding the draft Bylaws. At the next Board meeting, the directors will have the chance to ask questions and make comments on the draft Bylaws prior to an actual vote which may or may not happen at that time.

New Business. None

The meeting adjourned at 11:20 AM.


James A. Vaitkunas
Corporate Secretary

Attachments:

- Statement of Cash Flow Report
- Report from the MSM General Superintendent
- Report from the Excelsior Streetcar Line Superintendent
- Information Technology report

Minnesota Streetcar Museum Inc.
Statement of Cash Flows
January through September 2017

Jan - Sep 17

OPERATING ACTIVITIES

Net Income	11,443.73
Adjustments to reconcile Net Income to net cash provided by operations:	
1660 · Construction in progress:1668 · Const in Progress - ESL Car barn	-29,660.00
1660 · Construction in progress:1665 · Truck Rebuild for 1300	-84,514.98
1660 · Construction in progress:1664 · Const in Progress - Barn Runoff	-6,980.00
1660 · Construction in progress:1661 · Const in progress - Winona10	-1,132.33
2010 Accts Payable:2011 · Sales Tax	-39.78
2020 · Accrued Expenses	-200.00
2900 · Deferred Income:2909 · Deferred Income 2019 Member Due	510.00
2900 · Deferred Income:2908 · Deferred Income 2018 Member Due	1,250.00
2900 · Deferred Income:2907 · Deferred Income 2017 Member Due	-2,485.00
Net cash provided by Operating Activities	<u>-111,808.36</u>

INVESTING ACTIVITIES

1202 · Track & Overhead:1201 · Accumulated Depreciation T & O	14,279.58
1102 · Buildings - Net Value:1101 · Accum depreciation - Buildings	14,572.68
Net cash provided by Investing Activities	<u>28,852.26</u>

Net cash increase for period -82,956.10

Cash at beginning of period 334,458.65

Cash at end of period 251,502.55

Minnesota Streetcar Museum
 General Superintendent's Report – December 2017

OPERATIONS
 RIDERSHIP STATISTICS

NOTE: At this time, I do not have 2017 ESL data. That information will be included in Todd B's report. I will combine the information for the membership meeting in March. Data sources vary between tables, so there may be numeric inconsistencies. However, I believe the general themes or trends identified are valid.

Year-to-date October CHSL 2017 total ridership has decreased 16% over the prior year and a similar decrease compared to 2015. As can be seen in Table 1, the decrease was in regular trips.

Charters continued to decline, but at a lower rate (11%) than we experienced in 2016 (20% - compared to 2015). (Note: 2014 did have two large events: e.g., Electric Rwy. Assoc., Bus Historical Assoc.)

Table 1: General Ridership

SUMMARY - Ridership										YTD
	May	June	July	August	Sept	Oct	Halloween	Nov	Dec	Oct
CHSL										
Total										
2017	4,246	4,981	7,722	4,918	3,539	2,389	482	0	0	28,277
2016	4,881	5,920	8,289	6,356	3,839	3,756	570	778	1,322	33,611
2015	4,713	5,908	6,784	6,553	3,459	3,644	443	850	1,213	33,567
2014	5,488	5,988	7,551	6,738	3,703	2,827	769	765	788	34,617
Variance	(635)	(939)	(567)	(1,438)	(300)	(1,367)	(88)			(5,334)
Regular Trips										
2017	4,089	4,563	7,012	4,626	3,410	2,105	482			26,287
2016	4,621	5,458	7,762	5,984	3,687	3,300	570	778	1,322	31,382
2015	4,212	5,374	6,114	6,212	3,323	3,026	443	847	1,213	28,704
2014	5,072	4,981	6,819	6,278	3,357	2,399	769	608	788	29,675
Variance	(532)	(895)	(750)	(1,358)	(277)	(1,195)	(88)			(5,095)
Charter Trips										
2017	157	418	710	292	129	284	0			1,990
2016	260	462	527	372	152	456	0	0	0	2,229
2015	501	534	670	341	136	618	0	3	0	2,800
2014	416	1,007	732	460	346	428	0	157	0	3,389
Variance	(103)	(44)	183	(80)	(23)	(172)	0			(239)

TOTAL VOLUME BY MONTH

Another view of YTD 2017 performance is summarized below which shows the ranking of monthly volume since 2010. As can be seen in Table 2, with the exception of July and August 2017 performance was subpar.

The most interesting trend in the data is August – which has shown a steady decline over the last 3 years.

I have also included the largest monthly volume (and year) since the museum opened.

Table 2: Monthly Ranking

	Rank of Total Passengers - Since 2010					
	May	June	July	Aug	Sept	Oct
2017	5	7	3	8	3	8
2016	3	1	1	7	2	2
2015	4	2	7	6	5	3
Total Passengers						
2017	4,089	4,563	7,012	4,626	3,410	2,585
Variance to 2016	(532)	(895)	(750)	(1,358)	(277)	(1,741)
Largest Month						
	1980	1980	1980	1991	2012	2010
	6,617	11,094	14,210	12,786	4,045	4,473

CHSL TRIP SUMMARY

Table 3 below provides some summary statistics on ridership and cancellations split between standard car and PCC operations. A few interesting observations:

- Weather / Other Issues
 - During the year we lost 5 full days due to rain and had an additional 4 scheduled shifts (days) shortened by rain. This was identical to 2016 and compares favorably to 2015, when we lost 7 full days and 3 partial days.
 - We also lost several days due to the wire issue under William Berry Bridge
- PCC
 - Under normal circumstances the PCC car should run 8-10 trips/month depending on the number of weeks during the month. However, with Car No. 1300 out of service the PCC was pressed into more service to cover charter overlaps with regular shifts and any issues with the standard car. Crew shortages resulted in 2-3 PCC shifts being cancelled and replaced by a standard car. This belies the fact that getting PCC crews continued to be a challenge throughout the year. As noted previously, cancellation of PCC shifts and replacing them with a standard car results in an insignificant loss of paying riders.

NOTE: As points of reference, we cancelled 5-6 PCC shifts in 2016 and ~15 PCC shifts in 2015.

Table 3: Trip Summary Detail

	May	June	July	August	Sept	Oct	Halloween	Total
CHSL								
Standard Car (excl Charters)								
Riders	3,559	3,320	5,496	3,797	2,781	1,653	482	21,088
Tokens	2,524	2,416	4,359	3,061	2,072	857	0	15,289
Trips	214	253	344	262	175	79	15	1,342
Riders/Trip	16.6	13.1	16.0	14.5	15.9	20.9	32.1	15.7
Tokens/Rider	71%	73%	79%	81%	75%	52%	-	73%
Days (shifts)	15	24	10	29	13	11	3	
Rain	1+3	1+0	-	3+1	-	-	-	5+4
Other Issue	-	-	Pole Issue	-	-	-	-	-
Charter								
Riders	157	418	710	292	152	284		2,013
Trips	5	10	20	10	7	8		60
Riders/Trip	31.4	41.8	35.5	29.2	21.7	35.5		33.6
PCC								
Riders	530	1,243	1,516	829	629	452		5,199
Tokens	374	810	1,180	674	475	339		3,852
Trips	33	81	88	45	36	17		300
Riders/Trip	16.1	15.3	17.2	18.4	17.5	26.6		17.3
Tokens/Rider	71%	65%	78%	81%	76%	75%		74%
Days (shifts)	5	10	10	7	1	3		
Rain	-	-	-	-	-	-		
Other Issue	-	-	-	-	-	-		

OPERATORS

Year-to-Date we have 107 active volunteers who have contributed time to the operations. This includes 33 ESL operators and 86 CHSL operators. (There are several members who operate at both ESL and CHSL).

CHSL

- YTD ~2,700 hours
- 16 volunteers have provided 52% of the hours
- Bill Arends, Rod Eaton, Steve Simon, Jerry Petersen, and Aaron Isaacs are the top 5 contributors representing 23% of the total

ESL

- YTD 1,030 hours
- 7 volunteers have provided 52% of the hours
- Karen Kertzman, Jim Kertzman, Larry Kappel, Greg Thomas, and Rich Holz are the top 5 contributors representing 42% of the total hours

NEW VOLUNTEERS PERFORMANCE

The Class of 2017 has contributed ~340 hours or about 9% of the total schedule. The table below shows the individual contributors

Table 4: 2017 New Volunteers (YTD hours):

Allyn, Bruce	61.0
Buck, Scott	27.5
Cochran, John	23.0
Cochran, Monica	19.0
Colburn, Ted	32.0
Gustafson, Roger	-
Hanson, Traci	-
Heimerdinger, Walt	-
Levang, Craig	-
Malinoff, Mike	9.5
McCreary, Jim	15.0
Odegaard, Dan	36.5
Perkarna, Bill	25.5
Prakaashana, Amrita	15.5
Prakaashana, Carl	15.5
Ridlehuber, Linda	63.0

DISCIPLINARY ACTIONS

2017 was a difficult year as we removed two volunteers from active service due to infractions against Museum policies.

HIGHLIGHTS – OTHER AREAS:

TRAINING – Dave Higgins

MSM Operator Training graduated 16 operators at CHSL and 3 at ESL. Training used the training process developed by Dave and others and has been used for the last two years.

Average Number of 2-hr P2 sessions

- Graduates Phase 2 (19 trainees) 3.8
- Non-Graduates Phase 2 (out of 7 N/G) 4.8
- Total hours of P2 training 190

Average Number of 2-hr P3 sessions

- Graduates Phase 3 (16 trainees) 1.8
- Non-Graduates Phase 3 (out of 3 NG) 1.3
- Total hours of P3 training 66

Average Number of P4 shifts

- Graduates Phase 4 (16 trainees) 1.7
(P4 revenue training hours involves a mix of shift lengths and cannot be totaled or averaged with available data.)

Average training sessions for 16 Graduates Phases 2 & 3 sessions and Phase 4 shifts combined 7.3

Historical Training

- 2015
 - New hire class
 - CHSL – 15 graduates
 - ESL – 12 graduates
 - No PCC training
- 2016
 - Rolled out consolidated training program combining the early training phases for CHSL and ESL. Location specifics trained as last phase
 - New hire class
 - CHSL – 6 active graduates
 - ESL – 4 active graduates
 - Dedicated PCC training
 - Filled Safety Superintendent position; Focused on safety issues

BUILDINGS – Pat Kriske

- CHSL
 - Fencing was installed on the east side of the CHSL car barn to prevent falls into the culvert areas. Fencing was also installed around the A/C unit on the south side of the barn. The fencing around the shed area was also upgraded and expanded. (April)
 - Safety Zone line at CHSL Depot was repainted. Bill Graham repainted the benches. (June)
 - Exterior lighting on northwest corner of CHSL barn was replaced with LED lighting. Karl Jones did the work. (September)

- ESL
 - The concrete floor was installed at the ESL cold barn. (May)
 - Concrete pad was installed at Water Street ESL Stop. (May)
 - Electrical project started at ESL includes bringing cold barn up to code as well as adding fourplexes inside the cold barn, drop stations and new LED lighting. Exterior LED lighting and duplexes were added to the northwest and northeast corners of the building. (July and ongoing)
 - Roof repairs were made between the warm and cold barn, where leakage had been detected. The damaged soffit area on the northeast corner of the building was also repaired. (September)

LANDSCAPE/ GARDEN

Ben and Mary Porter volunteered to manage the CHSL garden at the depot.

CHSL SPEEDER SHED/TRACK/EQUIPMENT – Dennis Stephens

Speeder Shed:

Although the speeder shed turnout was purchased, shipped and placed in the fall of 2016, it was unfinished. In late October-early November 2016 25 pound T-rail was the procured from the Mechacek hobby railroad in Northfield, brokered by Dick Zawacki.

In the spring of 2017, activity began with machining and fitting compromise joints to connect 90 pound and 25 pound rail. Then came custom joint bars for the 25 pound sticks. We chose the unconventional approach of fabricating ties from C5 x 6.7 lb/ft steel channels in 6 foot lengths. The rails are secured to the ties by heat treated beveled washers and 1/2"-20 bolts inside and out. A manual rail bender was used to contour both the T-rail leading to the shed apron as well as the 1-1/2" square tube surface mounted rail inside the barn. The shed will accommodate a speeder, a modified tower car and two flats on a single track.

All the paving bricks on the apron north of the barn were taken up, sorted and set aside. Chris Brandt Pavers built a proper sub-base and re-laid Minneapolis street pavers in areas and established stable flange ways where vehicular traffic was likely. Modern clay bricks from the depot were used to surface the alcove between the speeder shed and maintenance barn. In August, the refurbished switch stand, donated years ago by Dick Stoner was installed. Barely before the HERA conference, six cubic yards of minus 3/4" trap rock was spread to extend the apron north and to dress areas between and beside the speeder track. This material was procured from Magnuson Sod in Minneapolis, who waived the delivery fee. Another 3 yards was subsequently spread and more will likely be required in the spring of 2018.

New Speeder:

A donor in Florida contacted Tom Schramm with the offer of a Fairmont speeder, converted to battery power by installation of a 36v golf cart motor. Tom's cousin delivered it by trailer. It is parked in the speeder shed and will be checked out this fall. Some modification will be necessary to serve our purposes but it is hoped that it will be stronger than the existing George Isaacs creation. Batteries and alterations are estimated to cost ~\$1000. One of the electric speeders will eventually move to ESL.

MECHANICAL – Dick Zawacki

- Winona 10

After almost 14 years of dedicated restoration work and some extra effort by the crew during the late summer, Winona #10 was ready for the rails. Progress appeared slow at times, but the final result was worth the wait. Winona #10 completed its initial passenger operation during the Heritage Rail Alliance conference in early October. Conference attendees made many positive comments about the car's appearance and feel. In acknowledgment of the results of the restoration crew's efforts, Winona #10 received HRA's Significant Achievement Award for 2017. The car is now in the "Operational Readiness" phase of her restoration. This means making those final adjustments and additions to make it a complete, operational streetcar ready for revenue service. These include things like adjusting the brakes, touching up paint dings, adding all interior and exterior signage and identification markings, adding exterior window bars, adjusting the "people catcher" operation, adding interior passenger boarding railings, verifying window operation, repairing woodwork trim, adjusting passenger door and step operation, among many, many other details. The car will be ready for revenue service for the 2018 season.

- Extended Service Required of Duluth #265

With the repair and refurbishing of TCRT #1300's trucks being the highest visibility project of the year at CHSL, it was easy to forget about the impact this had on the regular revenue service portion of our museum operations. Support of these operations at CHSL fell squarely on the shoulders of Duluth #265 and TCRT #322. Although 322 did take on some extra shifts, the majority of the extra operations were absorbed by 265. During the revenue season we normally rotate our operational wooden car each month. Car 265 has not had that luxury since July, 2106. This means that it has gone ten straight operational months without a break. In addition, the car handled all the training operations in April and May, charters, and all special events that occurred since July of 2016. This type of extended service is only made possible by our skilled maintenance crew with the leadership and guidance of John Prestholdt and Karl Jones. A very heartfelt "Thank You and Job Well Done" goes out to everyone who contributed to the effort to keep 265 and 322 in operational service during this time.

TRACK AND ROADWAY

- Major brush cutting at CHSL. Goal should be to aggressively cut brush every few years, with modest trimming in other years.
 - Working to find foreman to organize brush / weed cutting, weed spraying, leaf blowing, etc.

MERCHANDISE SALES

- CHSL sales through October
 - Taxable \$11,600
 - Non-taxable \$3,900
 - Donations \$900
 - Sales from Heritage Rail Conference: Total of \$1,170 (included in above?)
 - eBay sales ~\$400

OTHER

- Jerry Peterson volunteered to be car cleaning foreman
- Overhead – hope to have 2-3 year plan developed in the off-season

Ridership Summary

	May	June	July	Aug	Sep	Oct	Nov	Total
2017	586	768	1513	976	1071	670	1857	7441
2016	493	781	1216	909	887	1151	1656	7093
2015	632	715	976	841	795	1095	1407	6461
2014	421	481	1100	767	799	1641	1186	6395
2013	434	654	1152	1012	553	1471	1266	6542

Ridership

We achieved record ridership again in 2017! While October took a hit due to unusually cold weather, November provided three spectacular days for Christkindlsmarkt which helped us finish the year with 7,441 riders.

Ghost Trolley

Ghost Trolley ridership took a big hit due to bad weather on Friday night. With the format change last year, we were pulling in 400+ riders a night. But on a cold, raining Friday, we only managed 100 riders. Ridership rebounded to 400+ on Saturday, but the weather had already taken its toll.

Our volunteers did an excellent job setting up and running the event in the damp weather. We continue to receive positive feedback for the event...let's hope for better weather next year!

Christkindlsmarkt

Christkindlsmarkt continues to grow, with record ridership of 1,857 during the unusually warm November weekend. Extra media coverage featuring two of our volunteers also helped!

<http://www.kare11.com/mobile/article/entertainment/events/12th-annual-christkindlsmarkt-in-excelsior-celebrates-the-season/89-494582777>

Gross revenue for the event was \$5531.45 compared to \$4050.00 in 2016. Thanks to Karen Kertzman, we were able to process credit card purchases via her square credit card reader and personal cell phone. This proved to be extremely popular, accounting for \$1249.00 in gross revenue and boosting ticket and ornament sales.

This year, we doubled our sponsorship fee to help offset Christkindlsmarkt costs, raising our ticket price to \$4 (an increase of \$1) to cover the difference. After deducting sponsorship and credit card fees, net revenue for the event was \$4497.07 (\$1000 sponsorship fee, \$34.38 credit card fees) compared to \$3550.00 (\$500 sponsorship fee) in 2016.

2017 Review

Highlights from 2017 include Story Time Trolley with Belinda Jensen, record breaking Crazy Days with a second trolley on static display at Water St, the Heritage Rail Alliance Fall Conference with Winona 10 on prominent display, the return of the original Father Christmas on the final day of Christkindlsmarkt, and breaking our merchandise sales goal of \$2000.

Thanks go out to all ESL operating personnel. We were able to run a three-person crew for the majority of shifts, which continues to boost ridership by staffing a volunteer at the Water St. ticket booth during runs. And special thanks to the ESL “heavy lifters” who operated 30+ hours during the 2017 Season:

- David McCollum (33 hours)
- Tim Crain (33 hours)
- Ron Neitzel (37 hours)
- Gary Phleger (39 hours)
- Jeff Ersbo (46 hours)
- Elaine Love (54 hours)
- Richard Holtz (57 hours)
- Greg Thomas (72 hours)
- Larry Kappel (86 hours)
- Jim Kertzman (97 hours)
- Karen Kertzman (122 hours)

In addition to our streetcar operations, we also saw several improvements to our car barn thanks to Pat Kriske. This includes the concrete floor installation (and streetcar slumber party with Jim Kertzman & Scott Heiderich), electrical upgrades, and installation of a concrete pad at Water Street. The Tuesday restoration crew also jumped in throughout the season, making emergency car repairs, moving equipment and material for the concrete floor installation, installing exterior lights along the trail side exterior, and helping organize our little corner store.

And of course, everyone from both CHSL and ESL really pulled together to host the Heritage Rail Alliance!



Story Time Trolley Crew with Belinda Jensen



Part of the Ghost Trolley Crew



The original Father Christmas



Concrete floor at ESL car barn



Exterior lights at ESL car barn



Concrete pad at Water St

2018 Outlook

We have a lot planned in 2018! Work on Winona 10 continues in preparation for its Spring dedication, TCRT 1239 will be taken out of service as truck rehabilitation begins, and updates to our car barn display & corner store wraps up.

We hope to introduce Streetcar Camp in 2018, which had initially been planned for 2017 but was cancelled due to other commitments. We also plan one schedule change...cutting back Farmer's Market to end in September instead of October.

Our biggest challenge in 2018 will be the temporary loss of TCRT 1239 as this impacts our biggest revenue generators: Charters, Story Time Trolley, Ghost Trolley, and Christkindlsmarkt. We also need to work with the restoration crew to determine the best strategy for storing TCRT 1239 during its truck rehabilitation to minimize impact on Winona 10 (and Duluth 78!) work in the warm barn, car barn tours, and the Ghost Trolley event.

MSM Information Technology Updates and Proposals (12/9/2017)

Updates on 2017 Projects

The major IT project for 2017 was rolling out the new website for the museum. Though this took longer than projected we did receive some additional customization work at no charge on the part of the designer because of the delays. The site is now being hosted free of charge by Microsoft thanks to their non-profit donation program. The value of services we are utilizing from Microsoft at no cost is more than \$1200 per year.

There were a number of smaller projects including installing a projector, screen, and new printer/copier in the office at CHSL. A 12v supply system was also added to #1300 the same as was installed on #265 and #10 which will negate the need to plug in the car to keep a battery charged and provide more reliable low voltage power onboard. The computer security firewall and network hardware was also updated at CHSL in response to the heavier than previous usage of the Internet there with the completion of the office last year. There was also some custom electronics work done related to special events and several other projects such as 600v supply power monitoring at CHSL, ongoing work on #265 safety/control which was started in 2016, and improvement of the electrical troubleshooting tools at both CHSL and ESL.

Proposed 2018 Projects

In addition to continuing to work on several longer term projects (#265 safety/control upgrades, 600v supply power monitoring, carbarn and depot heating/environmental monitoring, installing a slideshow monitor at ESL, etc.) there are a few more substantial projects planned for 2018.

Membership Database

There has actually been work off and on for about two years on the project to enhance and replace our existing membership database. The goal is to finish this project before the majority of renewals come in this year (Late April/May). After testing a variety of solutions including some homebrew replacements I feel we found a workable solution over the past year which will address many of the issues we have with the current database system, allow better donation and membership tracking, better handle rosters, membership lists, training information, mass emailing, and a variety of other needs which currently consume an undue number of hours for museum volunteers and which are error prone or problematic as handled today. The software we have found to do all this is free, open-source software designed specifically for non-profits called CiviCRM. It includes a wide variety of features such as membership self-renewal online which people have been asking for and which is also expected to reduce considerably the burden on volunteers currently handling this manually. As of now I plan to do the implementation myself so there is no expected cost to the museum. If it becomes a time crunch or we desire specific customizations to our needs which would be too time consuming to develop myself we may look at hiring one of many firms which specialize in the customization and support of CiviCRM.

Internet/Telecommunications Upgrades at CHSL

This year we had several Internet outages at CHSL due to bad phone line conditions in the area. In addition, we have seen substantially increased Internet usage at CHSL due to the completion of the office in the carbarn last year. Our connection at CHSL was originally specified really just to handle credit card transactions and the occasional lookup of something else and we are taxing our connection.

Furthermore, US Internet has finally reached the CHSL site with their fiber optic Internet service. It was out hope that we could get this in during the Fall but US Internet was not able to fit us in so we're looking at a spring project. There are actually many moving pieces to this and the project management will take a bit of time and some upfront costs for some likely savings, or at least far better service at about the same cost, in the long run. The Fiber Internet is likely to cost about twice what the current DSL service costs (about \$100/mo. instead of \$50/mo). However, we can transition our two telephone lines at CHSL from regular lines to VoIP internet lines where we only pay about \$2/mo per number and then metered usage charges of about \$0.01/minute which should be substantially less than what we currently pay for the two lines of phone service at CHSL.

In order to facilitate the transition to VoIP phone lines at CHSL we will also need to upgrade the security alarm panels at the depot and carbarn. Karl Jones and I have discussed this several times and he has been in contact with our alarm provider about it as well. Upgrading the alarm panels is expected to cost about \$800 each and a \$5/mo increase in monitoring cost but Karl also tells me it's probably time to upgrade them given their age and the fact that he no longer has remote access working to the panels over the phone line due to technical incompatibilities with the current panels.

To facilitate all this we will need to change our current telecommunications contract to a month-to-month contract at CHSL beginning in February when our current 2-year contract term expires, renegotiate with our current provider and/or obtain new quotes for the remaining service at ESL (see below as well) for a new contract term, and enter into a new agreement with a provider (likely US Internet) for service at CHSL, and the upgrades to the security panels. I will need signing and budget authority from the board to complete these tasks.

Internet Access and Credit Card Processing at ESL

Last year some Karen Kertzman started a discussion with me about handling credit cards at ESL. As merchandise sales there continue to grow and given the success of credit card processing at CHSL it's probably something we should look at. This will require Internet access and there has also been an expressed interest by the ESL shop crew in having Internet access for part lookups, etc. as there has been at CHSL for a few years.

As a start completing this project will mean getting DSL service (most likely) activated on the phone line at ESL, installing a firewall, network switch, and wireless access point in the carbarn. This is all fairly straightforward. The DSL service will probably cost about \$50/month, the one time expenses are probably on the order of \$600 in equipment and supplies.

The credit card bit is going to require some potential operating procedure changes (collecting fares at the carbarn most likely) for ESL as well as decisions about the type of system to install (just a credit card terminal or a full point of sale system and if we try to match systems at CHSL and ESL to reduce training differences), new training for foremen and operators, etc. This is also a good reason to re-evaluate our current credit card processing vendor used at CHSL so that is bound to come into the equation as well.