

MINNESOTA STREETCAR MUSEUM

Minutes

ANNUAL MEMBER'S MEETING

10:00 AM, Saturday, April 25, 2020

Zoom Application Tele-Conference

Minneapolis, Minnesota

Call to Order: Chair **Aaron Isaacs** called the meeting to order at 10:05 AM. The Zoom web-based application was used to conduct this annual meeting. This was done because of the Covid-19 restrictions placed on the Museum and its members by the Minnesota government and health officials.

Quorum. MSM Members in attendance using the Zoom count was 64. As of December 31, 2019, active MSM membership was 310. Therefore, a quorum was achieved for this annual meeting.

Opening Remarks. Chair Isaacs opened the annual meeting by giving an overview of how the meeting would be presented—he would give his state of the Museum presentation which will then be followed by reports from the Museum's officers and others. Two important actions need to occur at this meeting: (1) the report from the MSM Treasurer; and approval of that report; and, (2) the election of two Directors. After the formal business portion of the meeting, a Twin City streetcar video will be shown which will last about 25 minutes. Then, following that a very short Board meeting will be held for the Directors to elect the Museum's Officers for the coming year and appoint the Class B Directors.

State of the Museum presentation was made by MSM Board Chair **Aaron Isaacs** by way of a PowerPoint presentation which is attached to these minutes. Major topics of **Isaacs'** report to the members and presentation are as follows.

The Year in Review for 2019.

We had some major improvements to our Museum's streetcars and infrastructure and other accomplishments in 2019. Here is a list of some of them.

- The bad motor for TCRT No. 1300 was worked on by L&S Electric after being delayed for quite a while because of a higher priority project L&S had to work on for Canadian Pacific Railway. The motor is finished, has been returned to MSM and was installed in No. 1300. Before the Covid-19 virus shut-down our Isaacs Shop, the car was tested for several days and performed well.
- The truck work on No. 1239 has begun in earnest. Since the Covid-19 virus has curtailed the regular travel and work by contractor **Rod Mangels**, he is working almost exclusively on rebuilding the trucks. It may very well be that the work could be completed sometime later on in 2020.

- Before the Isaacs Shop was closed, a lot of interior work was done to TCRT No. 1239, including a complete re-wiring of the interior lighting circuits. Also, the bulbs illuminating the side route roll signs were installed to bring the car to its 1907 configuration.
- The controller for Duluth No. 78 was rebuilt to repair the damage caused by the controller fire that occurred in early 2019. **Howie Melco** has been doing the work at home.
- **Rod Eaton** and **Bill Graham** have been working on re-creating advertising cards for No. 78 and Winona No. 10.
- We were asked to remove Fargo-Moorhead Street Railway No. 28 from **Ken Albrecht's** storage shed. Initially we moved it to the Excelsior carbarn, but soon realized that storing this single-truck Birney car there severely hampered work done in the shop and barn. MSM's Chief Mechanical Officer **Dick Zawacki** found a storage place in Watertown, Minnesota and the car was moved there.
- The entryway to the basement of the Linden Hills station was rebuilt because the old one was deteriorated and allowed water to seep into the basement.
- An anti-graffiti fence was installed on the south side of the Excelsior carbarn.
- Many improvements were made in the Russell L. Olson library located in the Isaacs Carbarn and Shop.
 - ✓ The library was cleaned and straightened up and photos were hung on the walls by **Bill** and **Rose Arends**.
 - ✓ **Jim Willmore** and **Ben Franske** assembled and installed the book copying device recently purchased.
- Our Museum's history outreach continues.
 - ✓ Six-hundred plus photos were put onto the Minnesota Reflections site hosted by the Minnesota Historical Society.
 - ✓ A new video of movie films taken of the COMO-HARRIET line by railfans in the 1940s and 1950s was put on You Tube.
 - ✓ Short history postings were posted on our Facebook page by Rod Eaton and Brian Long.

Looking ahead to 2020-Projects we Plan to Work on.

- Rebuilt motor for Winona No. 10 installed and No. 10 returned to service.
- Number 1239's trucks completed, and the car put in service. The replica Baker heater installed in 2020. The internal wiring work for No. 1239 completed.
- The new electric speeder completed.
- Finalize negotiations to have some of our traction (streetcar) power needs provided by solar panels.
- The Overhead trolley wire system at ESL and CHSL refurbished.
- Mesaba No. 10 cosmetic restoration continues.
- The new tower car for CHSL completed and in service.
- The interpretive signs at 44th Street completed and installed.

Question: **Pat Cosgrove** asked if we could do the overhead repair work this summer since it is likely that we won't be operating. **Isaacs** replied that we did plan to do the work after Labor Day, but because we won't be running this summer, we could push up the work if we have the parts and can get bids on the project. Chief Engineer **Keith Anderson** is in overall charge of the overhead refurbishment project. When asked by **Isaacs, Jim Vaitkunas** commented that he will contact the Halton County people ASAP and get the ball rolling on identifying the parts we need, see what Halton County and importantly, how much they'll be charging for the parts.

MSM's Financial Outlook for 2020.

Will we run streetcars in 2020? That is the big question for which we currently have no answer. May operations have been cancelled. The Board will meet a week or two into May to decide whether to cancel June. I can tell you that the safety of our volunteers and the public is our top concern, and we won't risk either to run streetcars.

Here's the good news. We're in good financial shape. Unlike so many other businesses and institutions, we don't have to weigh a health risk against the need for revenue. Being all-volunteer, we don't have to worry about laid-off employees.

It is true that if we're shut down for the entire year (hopefully that won't happen) we'll lose about \$80,000 net revenue after expenses. If we are able to resume by October, we can still take in about one-third of our annual fare revenue. That's how productive our Halloween and Christmas events are. Of course that assumes we can resume running full streetcars and social distancing is no longer necessary.

To be cautious, I created a worst-case budget scenario that assumes no operations in 2020. It also assumes we can reopen the shops and proceed with streetcar restoration and maintenance.

We currently have \$392,000 in the bank. To do what I just described will cost about \$40,000 for the rest of the year. That leaves \$352,000.

- We are committed to spend about \$112,000 to rebuild TCRT No. 1239's trucks with two operational motors. That work is progressing as this is written and I hope we'll see it completed this year.
- We are committed to repair Duluth No. 78's bad motor. That's \$28,000.
- We are committed to at least \$55,000 to repair the overhead wire at both CHSL and ESL. In fact, that money is in a restricted fund and can't be used elsewhere.
- Finally, we're committed to \$5000 of miscellaneous technology improvements by **Ben Franske**.

After meeting those commitments we'll have \$152,000 left over. Our policy is to retain at least \$100,000 in cash reserves. This is important because if we can't operate for some or all of the 2021 season, we'll still have enough funds to carry the Museum through until 2022.

We're putting several projects on hold because they aren't critical for 2020 completion:

- Rebuild the third and fourth motors for car 1239 - \$54,000.
- Excelsior paving and track-work - \$36,000.
- Reserve for overhead wire work - \$50,000.

Isaacs finally commented that the priority project is the overhead wire work. **Isaacs** stated he can't make the decision unilaterally to increase the fund amount for the overhead project; the Board would need to approve bringing our cash reserves down to \$100,000.

Reports by Museum Officers.

Corporate Secretary's Report. Corporate Secretary **Jim Vaitkunas** rendered the following report. He commented that as of this moment, sixty-five MSM members are logged-on to this annual meeting, which is terrific.

- MSM Complied with all Federal, State of Minnesota and local statutory/regulatory reporting requirements
- Renewed all Insurance Policies – 2020-2021 premiums are as follows. Interestingly, the total premiums for all the Musseum's insurance as shown on the below chart increased by only \$250 for the period March 2020 to March 2021.

\$ 1,052	Liability
2,818	Property – buildings at ESL & CHSL
4,428	Property – streetcars
1,501	Director & Officers coverage
300	Volunteer accident insurance
216	Auto coverage
134	Miscellaneous fees
\$ 10,449	TOTAL

- Total Membership in good standing. The membership numbers have been steady for the last five years are shown on the table. However, with the Covid-19 situation being a game-changer, **Vaitkunas** is concerned about any membership drops between now and 2021 because of the Covid-19 pandemic.

2019 – 310
 2018 – 312
 2017 – 313
 2016 – 318
 2015 – 310

- Gains and losses for 2019 (as of December 31, 2019)

	2014	2015	2016	2017	2018	2019
Expired/Deceased	26	27	17	32	36	27
▪ Joined	21	35	25	32	32	31
▪						

- Annual Election of Directors
 - ✓ Notices sent to members on or about March 22, 2020.
 - ✓ No nominations were received from the Museum's members.
 - ✓ One incumbent Director will be elected at this meeting: **Karen Kertzman**. Former Director and current MSM Treasurer **Chris Heck** replaces **John Dillery** on the Board. Voting will occur later in the meeting.
 - ✓ Members are encouraged to renew their memberships through the Museum website.
 - Members are also asked to renew for two years. Doing both saves our Museum funds spent on printing and postage of renewal notices, reminders, second notices, etc.
 - We do not yet know the impact the Covid-19 impact might have on member renewals or new members joining. It is clear, however, that we won't see the influx of new members we typically see each year by those who join in order to qualify as Operators because our Operator training program is cancelled for 2020.
- Board Meetings held in 2019 – Three formal Board meeting were held in 2019.
 - ✓ BOD meeting minutes are posted on MSM's website, usually no later than one week after the meeting. Members are encouraged to view the minutes.
 - ✓ All members are invited to attend Board meetings.
- Miscellaneous.
 - ✓ **Vaitkunas** reported that between twenty-five and thirty members have renewed on-line in April, which is great.
 - ✓ Regarding the membership, **Vaitkunas** commented that our membership will surely be down this year because we normally have 15-20 people join in March and April because they want to train to become Operators. Since we cancelled training in 2020, and likely won't operate for the greater part of the year, our membership will certainly be affected.
 - ✓ In response to a question from Chair **Isaacs**, **Vaitkunas** stated that he will continue to publish the *Streetcar Currents* newsletter but the content will probably be modified because the Museum won't be operating for several months, if at all, in 2020.

Questions. **Rod Eaton** asked if we'll get a refund on our liability insurance premium since we're not operating. **Vaitkunas** replied that given the facts that: (1) we may operate at some point this season; (2) volunteers and others will be on the property, hopefully soon; and, (3) the premium is only \$1,052, that we need to keep the coverage in force. **Vaitkunas** commented further that we did ask if we could file a loss of income claim, but our insurance agents said no. MSM's policy has a specific section that states a disease is not a reason to invoke the loss of income clause in the policy.

Phil Epstein asked if we knew of any members who have failed to renew their membership because the Covid-19 pandemic has caused them financial distress. And if we have, does the Museum plan to fund their membership because of their financial situation. **Vaitkunas** replied that he has not heard of any members in that situation and he recommended that Membership Services manager **Barb Gacek** and/or **Pat Cosgrove** follow-up on this to see if there are any members with that situation. If MSM does pay the dues of a lapsed member, the Board would have to approve that.

Steve Simon described the problem he faced with the claims people associated with our volunteer accident insurance when he broke his arm. He had significant problems complying with the complicated claims process. **Vaitkunas** commented that he was aware of his situation and did inform our insurance agents of our displeasure with the claims process. **Vaitkunas** stated he'd follow-up again with our insurance agents.

Treasurer's Report. Treasurer **Chris Heck** presented a PowerPoint presentation that depicted key financial data and supplemented that information on the chart with comments. The charts are attached to these minutes. At the conclusion of his presentation, Heck asked if anyone had questions. Several members responded.

Daryl Arndt asked if there was a downside to operating this year, that is, if we operated at all in 2020 would the Museum actual operate at a deficit. Chair **Isaacs** replied that there isn't a downside to operating because our income more than covers operating expenses. Treasurer **Heck** also responded that if we do operate in the fall, we would simply lose less money that if we didn't operate, so there is an advantage to operate if we can.

Russ Isbrandt asked if MSM has plans for replacing rotten ties at Como-Harriet. Chair **Isaacs** responded that our track is in pretty good shape based on Federal Railroad Administration (FRA) track standards. **Isaacs** stated that we do have plans to do track maintenance but that it will be two years before we do anything to replace the bad ties. But in the meantime, it's perfectly safe to operate our streetcars at Como-Harriet.

Dennis Stephens asked if we were going to replace any of the trolley contact wire when we refurbish our overhead trolley system. **Chris Heck** replied that we would not. What we plan to do is bring the overhead back into alignment, tighten slack wire and replace about a dozen bad span poles.

Chair **Isaacs** then called for a motion to approve the Treasurer's report.

<p>MOTION: Made by Pat Cosgrove; 2nd by Stanley Casal That the MSM Treasurer's annual report be approved as to form and content. VOTE: Unanimously approved by all members present.</p>

General Superintendent's Report. General Superintendent Bruce Gustafson opened his presentation stating that 2019 was exceptional because the Museum carried its two-millionth passenger. **Gustafson** then rendered his report in the form of a PowerPoint presentation which is attached to these minutes.

Chair **Isaacs** then commented that regarding the Covid-19 situation, MSM's highest priority is the safety of our volunteers and passengers. **Isaacs** intends to appoint a working group that will periodically evaluate the situation and make recommendations to the Board. However, because the Museum is in good financial shape, the Museum intends to be conservative in making the decision to resume operations. Regarding the opening of the maintenance shops at both lines, that will likely happen sooner but that will be a decision made by the General Superintendent and the Chief Mechanical Officer.

Dennis Stephens commented that the General Superintendent's report should also reflect the large number of non-operating man-hours that the volunteers expend in the shops. **Gustafson** replied that he will obtain those statistics and incorporate them into future reports.

Charles Anding asked if we had made any arrangements to acquire the equipment used to disinfect our streetcars when we do start operations. Chair **Isaacs** replied that it's premature to state what we'll do to prepare our streetcars for service, but that we'll start operations only when everyone is satisfied with our planning and procedures and that operating personnel will operate on a strictly voluntary basis.

Leah Harp commented that our 2019 Operator graduating class had two female Operators and that is a positive thing for the Museum. She commented further that she supports increased outreach to make our volunteer operating personnel base more diverse.

Report from the Chief Mechanical Officer. Dick Zawacki, MSM's Chief Mechanical Officer reported on the status of the work progress on MSM's historic streetcars. This report was rendered in the form of comments on bullet items in the PowerPoint presentation he created. These slides are self-explanatory.

Chair **Isaacs** commented that we received major donations from the 20th Century Railway Foundation, and significant donations from Museum members, to help fund the motor work on Winona No. 10 and the controller repairs for No. 78.

Media Outreach Efforts. Member **Rod Eaton** render a special report on the efforts he, **Brian Long** and **Karen Kertzman** have been doing to increase our visibility on Facebook and other social media platforms. His presentation was in the form of PowerPoint presentation which are attached to these minutes.

Eaton provided background on the Museum's social media efforts in 2019 stating that in 2019, the Museum increased its Facebook postings compared to past years with positive results. He described the general plan for postings he and his team had followed.

Eaton went on to show examples of recent Facebook postings and the metrics that resulted from them. One of the problems we face is that because the Museum isn't operating, our visibility is limited. What the Museum must do is to present more "behind the scenes" postings. Those postings described by **Eaton** generated a lot of interest from our Facebook friends who responded positively to those postings.

A member asked if we could do something to describe what TCRT did in the 1918-1919 period of the Spanish Flu pandemic. Chair **Isaacs** replied that he has already done some research and will write something on this topic that will go to multiple media platforms, including Facebook.

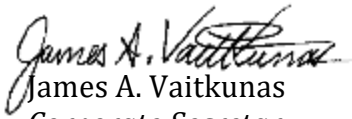
Dave French asked if we could tell which passengers are riding because of our Facebook postings. **Eaton** replied that it's difficult to know whether our passengers came to ride because of our Facebook page. Member **Gordy Moore** then commented that when he operates, he typically asks passengers how they heard about MSM. He stated that a good percentage are riding because of our Facebook postings. Chair **Isaacs** commented that the number of Facebook friends increased by 50 percent in 2019.

Election of MSM Directors. After a brief introduction by Chair **Aaron Isaacs** regarding the two Board vacancies and the two nominees, **Isaacs** then called for a motion to elect two Directors for a three-year period.

MOTION: Made by Dick Zawacki; 2nd by Floyd Child
That Chris Heck and Karen Kertzman are elected to fill Director positions on MSM's governing Board of Directors for a term of three years that expire in March 2023.
VOTE: Unanimously approved by all members present.

Adjournment. There being no further business to conduct, Chair Isaacs adjourned the MSM 2020 annual meeting at 11:28 AM.

Video Program. After the formal business meeting was concluded, Chair **Isaacs** showed a video program featured color and black and white films of Twin City Rapid Transit Company lines other than the Como-Harriet line. **Isaacs** announced that this video is relative short at 25 minutes but that it's a part of a longer video that he is currently working on to provide narration. This should be done shortly. The Como-Harriet video is already on the Museum's YouTube channel and this longer video will be on YouTube as soon as Isaacs completes it.


James A. Vaitkunas
Corporate Secretary

ATTACHMENTS.

Board Chair Isaacs' State of the Museum report (PowerPoint presentation).
Corporate Secretary's Report (PowerPoint presentation)
Treasurer's Report (PowerPoint presentation)
MSM General Superintendent's and Chief Mechanical Officer's Reports (PowerPoint presentation)
MSM Media Presence (PowerPoint presentation)