

DRAFT

MINNESOTA STREETCAR MUSEUM

MINUTES

Board of Directors Meeting
7:00 PM – Friday – December 11, 2020
Computer Tele-Conference using Zoom Application
Minneapolis, MN

Present: John Dillery Ben Franske Dave French
 Chris Heck Aaron Isaacs Darel Leipold
 Karen Kertzman Myrle Mackenzie Jim Vaitkunas

Absent: None

Others Present: Pat Cosgrove Brian Long Bruce Gustafson
 Keith Anderson

The meeting of the Minnesota Streetcar Museum’s Board of Directors was called to order by Board Chair **Aaron Isaacs** at 7:05 PM. The meeting was held using the Zoom web-based tele-conference application. At 7:05 PM, a quorum was established.

The agenda for this meeting was approved with no changes or objection.

The minutes for the Board of Directors meeting held on July 11, 2020 was approved with no changes or objection.

Review and approval of e-votes (Action)

- Approval of MSM Policy on Outdoor Work During Covid-19.
- Amendment to the 2020 budget to authorize the purchase of video security cameras and associated equipment for the Como-Harriet Streetcar Line.

MOTION: Made by Karen Kertzman; 2nd by Myrle Mackenzie

The electronic vote taken on June 30, 2020 to approve the MSM Policy on Outdoor Work During Covid-19, and the e-vote taken on November 30, 2020 to amend the FY 2020 budget to authorize spending for video security cameras are affirmed.

VOTE: YES – 9; NO – 0. *Motion approved.*

Board Chair’s Report/Update. Chair **Aaron Isaacs** commented that this board meeting will be comparatively short. Because most of what he would say will be covered in other reports this evening, the only thing **Isaacs** wanted to mention is that the project to mount historic signs posted along the 44th Street corridor in Linden Hills is finally coming together. The signs are finished, and they now need to be placed. Unfortunately, there was a mix-up in the location where Isaacs was to meet the Minneapolis Park & Rec Board contact to locate the places where the signs will be mounted so the final coordination meeting will be temporarily delayed. The signs are funded by the Linden Hills Neighborhood Council.

Treasurer’s Report/Update. MSM Treasurer **Chris Heck** gave a report on the current state of the Museum’s finances. Two financial reports he presented are attached to these minutes. **Heck** first reported that the figures were current as of 10/31/20, as Bookkeeper **Mona Isaacs** was still working through the November books. **Heck** reported that that the one bright spot was that donations to MSM were above budget for 2020 (\$26,9898 actual vs \$20,350 budget). Most other income accounts were lower than their budgeted amounts due to the COIVD-19 pandemic. The Museum received \$925 in charter income, \$1,645 for merchandise sales, and \$12,630 in membership dues as our chief sources of income to date in 2020—for a total of \$43,589.46 in income.

Heck commended the museum’s volunteers for keeping expenses in check for 2020, as we experienced few large expenses outside of the capital projects. All expense accounts came in under budget. However, we still spent \$70,458 out of the \$117,690 in budgeted expenses for 2020. On the operating side, that resulted in a loss of \$47,231 to date in 2020.

On the capital projects side, the board initially approved \$221,220 in the 2020 budget, of which \$127,219.28 has been spent to date. The Museum currently has \$330,183 in the bank, plus inventory valued at \$22,766, for a total of \$352,950. If the remaining capital budget is spent, the Museum will end 2020 with approximately \$200,000 in the bank—which is less than half of the \$451,000 that it started the year with but still above the informal \$100,000 minimum threshold.

Lastly, Treasurer **Heck** asked the involved parties to send him their input on the 2021 budget by the end of the year as the finance committee hopes to start work on the 2021 budget sometime in mid-January.

Financial Projections for FY 2021. At the conclusion of Heck’s report, Board Chair Isaacs then posted a spread sheet showing some income and expense projections for FY 2021 with the Museum operating at a reduced schedule. This was done to see what the financial situation might be given the unsure natures of MSM’s operations in 2021. The estimates are based on a start date on or about (o/a) July 1, 2021. The spreadsheet (attached to these minutes) makes financial projections in three scenarios: revenue is 75% of what we received in FY 2019; 50% of the 2019 revenues; and if the Museum did not operate a regular schedule at all in 2021. The purpose is to see how the reduced revenue impacts several proposed capital projects. Isaacs commented that no decisions will be made based on these numbers, but this is a preview for the up-coming FY 2021 budget process which will start soon.

Discussion then ensued on the spreadsheet including the liquidity of our funds in the investments and the estimated costs of several capital projects, including the ESL work to realign track #3 and pour concrete in the track #3 area. **Jim Kertzman** stated that it appears the estimate on the ESL work is very low. **Karen Kertzman** stated that she would talk with the ESL shop crew to get a better estimate on the costs associated with the work. **Jim Vaitkunas** was concerned about running the cash balance down too low and **Dave French** was concerned about the condition of the ties at CHSL. After some discussion, Chair **Isaacs** concluded the discussion by saying that these kinds of details will be covered in the up-coming work in developing the FY 2021 budget.

MINUTES – Board of Directors meeting
Friday – December 11, 2020

General Superintendent’s Report. General Superintendent **Bruce Gustafson** reported that his detailed report on streetcar operations in 2020 is fully covered in the operations report (attached to these minutes). However, he wanted to highlight a potential problem in 2021 of availability of operating personnel based on the responses he got from operators who responded that they did not want to operate on any of the seven charters that MSM did operate in 2020. While recognizing the unique pandemic year we’ve had in 2020, the response from our operating personnel will be the deciding factor in determining our 2021 operating schedule.

With that, **Gustafson** summarized what he envisions as our operating schedule for 2021. Details of the schedule will be set at the operations committee meeting in the spring of 2021. Basically, the 2021 season’s start date and operating schedule will be determined by the availability of operating personnel and the COVID-19 rules from the state of Minnesota. Because our operating personnel will not have operated for over a year, **Gustafson** estimates that it will take 4-6 weeks to recertify our operating personnel, which will include a mandatory check-ride. **Gustafson** also commented that it’ll be difficult to train new operators if we start operations later than Memorial Day or early June. **Karen Kertzman** commented that because ESL has a smaller number of Operators, it might be easier to recertify the ESL Operators and train new Operators there. Through all this discussion, the primary theme was that where we are regarding COVID-19 will determine our schedule to recertify and start operations.

Karen Kertzman then commented that we’ll need to look at our special events as these events are planned well in advance. The consensus was that because the special events occur later in the year, hopefully we’ll be able to operate them assuming the pandemic has subsided to a great extent.

John Dillery commented that perhaps the operations committee meeting date should be delayed for some period of time so we can see how the vaccinations of the general populace is going and whether the COVID restriction on group gatherings is reduced. **Gustafson** agreed that it should be delayed to some extent. However, the issue that needs early discussion and decisions is planning for new Operator training. If training doesn’t happen in 2021, the operations committee could easily meet in mid-late March.

Mechanical Department (Dick Zawacki). The written report from Chief Mechanical Officer **Dick Zawacki** is attached to these minutes.

Engineering Department (Keith Anderson). Anderson reported that he is continuing his discussions on the overhead work at CHSL with Killmer Electric company, the company that did the overhead work at ESL. **Anderson** reviewed the cost estimate for the CHSL work and he feels that it is reasonable. He’ll be negotiating with Killmer now to see if some of the costs can be specified and reduced including the cost of the overhead line poles that need replacing. Chair **Isaacs** asked the Directors for input and **John Dillery** commented that its important to keep the track and overhead in good repair because of the importance of the overhead to safe operations and to protect our streetcars. **Chris Heck** also commented that the overhead work is important and should not be delayed.

MINUTES – Board of Directors meeting
Friday – December 11, 2020

Other Business. Pat Cosgrove reported that the installation of the security cameras is progressing satisfactorily. Brief discussion ensued on this project.

Adjournment. The meeting adjourned at 7:58 PM.

DRAFT

James A. Vaitkunas
Corporate Secretary

Attachments

- 1 – Treasurer’s Financial Reports
- 2 – FY 2021 Financial Projections Spreadsheet
- 2 – Report by the MSM General Superintendent/Operations Chief
- 3 – Report by the Chief Mechanical Officer

MSM Balance Sheet 12/10/20

<u>Account</u>	<u>Balance</u>
TCF Checking	\$7,140.17
TCF Savings	\$171,213.25
Firefly Savings	\$5.00
Firefly Money Market	\$98,533.93
Firefly CD	\$51,890.75
Change cash	\$1,400.00
 TOTAL BANK ACCTS	 \$330,183.10
 Inventory	 \$22,766.99
 TOTAL ASSETS	 \$352,950.09
 Allocated unspent funds	 \$127,219.28
Unallocated funds	\$225,730.81

<u>Capital Project</u>	<u>Budget</u>	<u>Account Balance</u>
No. 1300 motors	\$24,220.00	\$0.00
No. 1239 truck	\$120,000.00	\$66,091.28
No. 10 motors	\$27,000.00	\$27,000.00
Overhead line	\$50,000.00	\$34,128.00
Total	\$221,220.00	\$127,219.28

2021 MSM Budget worksheet

Balance as of 11-27-20

Cash	\$163,383
Investments	\$150,404
Subtotal	\$313,787

Projected revenues for 2021

Assumes July 1 startup, then 75% of 2019	75 pct	50 pct	NO 2021 ops
Donations	\$20,000	\$20,000	\$20,000
Fares	\$24,345	\$16,230	
Special events	\$23,219	\$15,480	
Merchandise	\$8,886	\$5,924	
Dues	\$9,000	\$9,000	\$9,000
Subtotal	\$85,450	\$66,634	\$29,000

Total revenue plus fund balance	\$399,237	\$380,421	\$342,787
---------------------------------	------------------	------------------	------------------

Projected expenses, capital

Winona 10 motor	\$27,000	\$27,000	\$27,000
1239 trucks	\$53,909	\$53,909	\$53,909
CHSL overhead	\$60,000	\$60,000	\$60,000
ESL car barn paving, track realignment	\$7,000	\$7,000	\$7,000
Subtotal	\$147,909	\$147,909	\$147,909

Operating expenses

Operations	\$12,000	\$12,000	
Insurance	\$11,000	\$11,000	\$11,000
Utilities	\$9,500	\$9,500	\$4,000
Merchandise cost	\$7,000	\$7,000	
Marketing	\$800	\$800	
Exhibits and archives	\$500	\$500	\$500
Phone and internet	\$3,000	\$3,000	\$3,000
Admin	\$2,300	\$2,300	\$2,300
Technology	\$1,400	\$1,400	\$1,400
Membership publications	\$8,600	\$8,600	\$8,600
Credit card charges	\$1,500	\$1,500	
Buidings and grounds	\$2,000	\$2,000	\$2,000
Streetcar maintenance	\$10,000	\$10,000	\$10,000
Subtotal	\$69,600	\$69,600	\$42,800

Total expenses	\$217,509	\$217,509	\$190,709
-----------------------	------------------	------------------	------------------

End of year fund balance	\$181,728	\$162,912	\$152,078
---------------------------------	------------------	------------------	------------------

2020 RECAP

OPERATIONS

REGULAR SERVICE

All scheduled operations were cancelled for the 2020 operating season.

CHARTER SERVICE

Although regular scheduled operations were cancelled for the 2020 season, we did operate seven charters during September-October, which were instructive for several reasons and can shed some light on our abilities if COVID persists into the 2021 operating season.

- Payments processed online.
- Special COVID protocols were established, modifying normal operations to allow a safe environment for the Museum operators and the charter guests.

FACILITIES – Dick Zawacki, Karen Kertzman

- CHSL
Retaining wall. Deterioration of the retaining wall along Queen Avenue was repaired by the City of Minneapolis.
- ESL
Carbarn. Graffiti on the exterior of the carbarn was repainted. A new section of cyclone fence was installed to, hopefully, limit this type of activity in the future.
The thermostat for the west furnace failed and a temporary replacement was installed. The long-term plan is to install Wi-Fi controlled thermostats in both the ESL and CHSL carbarn. We need to find the right thermostat that will work in both facilities and then will upgrade both locations.
Water Street Platform. The picket fence at the Water Street depot was repainted and several rotted boards were replaced.

TRACK AND ROADWAY

Steve McCulloch volunteered as foreman and as he has over the last few years, led a dedicated group of volunteers to cut brush, remove leaves from the tracks, and generally maintain the right-of-way

2021 Projected Operating Plans

The following are some initial thoughts which will be refined as the COVID restrictions evolve. Specifically, the timing of the start-up activities and how much of the schedule we will operate will be impacted by the COVID guidelines and the back-to-work response rate we get from our volunteers.

BASELINE OPERATIONS

Baseline operations assume we will be able to operate a normal schedule during the 2021 season without restrictions.

Regular Schedule Adjustments

In 2021 we plan to implement the schedule changes discussed and agreed to by the Operating Committee prior to the start of the 2020 operating season.

CHSL regular schedule:

- The museum will NOT operate Monday evenings. The decision was based on several factors, most notable:
 - 1) Monday has the lowest patronage of all regular shifts;
 - 2) the night had been requested by Chris Heck (overhead Foreman) to be used by his crew for ongoing maintenance; and,
 - 3) Monday night provides a reliable option for training.
- Based on the success of the Wednesday afternoon schedule, the Committee agreed to test for the season operating Friday afternoon (1-4p).
- The Committee also agreed to extend regular operations in the fall as follows:
 - Shifts will be extended from ending at 4:00p to 4:30p
 - The regular season schedule will be extended to the third weekend in October

ESL regular schedule

- MEA. Add operations on the Friday during MEA
- Farmers Market. The plan for 2020 was to end Tuesday operations the week before Labor Day and not run into September as the city is no longer sponsoring Farmers Day after Labor Day. This may change depending on the city's plans

Preparation/ Start-up Time

The time required to prepare for the 2021 operating season will be longer / more intensive than usual given that very few of the operators spent any meaningful time operating in 2020. As such, I recommend that everyone will be required to complete a check-ride prior to certification.

- Operating Crews. We will need 4-6 weeks to perform check rides, administer the annual tests, and other tasks to get enough operators ready to operate a full schedule. *(NOTE: The timeline is based on past years and could vary depending on the number of operators wishing to recertify and the number of trainers available.)*
- Start Date. We will adjust the start date for recertification based on the COVID conditions and requirements next year.
- Track Inspection. To avoid issues, we will complete a track inspection and sign-off by the Chief Engineer prior to the start of intensive recertification focusing on switches and track gauge.

Other Issues

- Special Events. Last year the Operations Committee had agreed to some changes in the special event calendar. Given COVID we need to re-evaluate the changes.
- Fares. This is a preliminary view based on pre-COVID/ 2020 decisions.
 - CHSL. Last year the Ops Committee agreed to a \$1 increase to the ticket price for the Christmas events.
 - Vinternatt will increase from \$5 to \$6
 - CHSL Holly Trolley will increase from \$4 to \$5
 - ESL. No planned changes.

2020 RECAP

MECHANICAL – Dick Zawacki

Special COVID protocols were established to all a safe environment once the Museum was able to allow maintenance activities within the carbarns. Vendor activity along with Museum maintenance following new protocols, progress was made as summarized below.

TCRT No. 1300

The refurbished motor was installed in the car in March and tested. The car is now operating with its full complement of 4 motors. The floor and steps were repainted in the car. Several seats were repaired. Wiring for safety interlock was completed. Regular preventive maintenance was completed on the car.

TCRT No. 1239

Our overall plan is to date the look of the car into the 1920's era. Most of the fabrication work on the new truck components is completed. Our basic plan is to build a complete truck that closely replicates the original Baldwin #5 trucks that were under the car. The current trucks on No. 1239 were fabricated from non-motorized Chicago Transit Authority (CTA) trucks and have no historical connection to the car. New coil springs have been ordered from Carolina Coil; the company that made new springs for the 1300 truck rebuild project. We plan to reuse the axles and journal boxes from the current trucks. Two motors have been refurbished and are at CHSL, ready to be installed in the new trucks when the time is right. A new Baker heater is installed in the car. Although it won't be operational, we will have a vent pipe fabricated for it and installed next year. New 120 VAC lights that look historically correct have been installed. A historically correct headlight has been installed on the car.

TCRT No. 322

Regular preventive maintenance was completed on the car this year.

DSR No. 78

The burned-out controller was completely overhauled and upgraded with new wiring and modern components. The root cause of the failure was found to be less than optimal mounting of the controller in the car, which allowed it to vibrate and, over many years of operation, wear away the internal wiring insulation and causing a 600v ground fault. The crew needs to complete installation of the controller. Once this is done, they will examine the second controller in the car and upgrade it to the same level as the first controller.

DSR No. 265

Five nonoperational heaters were repaired, rewired, and reinstalled in the car. In addition, a bad switch in the heater circuit was repaired.

CHSL Carbarn

A new jib crane, fabricated by the carbarn crew, will be used for lifting and positioning things like motors, truck components, and other heavy items. All electrical outlets in the cold and warm barns are being replaced and upgraded to add Ground Fault Circuit Interrupter (GFCI) protection to all circuits.

General

An inventory of spare parts (especially windows and seat components) was completed in both carbarns. Parts unique to a specific car were moved to the carbarn housing that streetcar.