

MINNESOTA STREETCAR MUSEUM

MINUTES

Board of Directors Meeting
7:00 PM – Thursday – July 20, 2023
Computer Tele-Conference using Zoom Application
Minneapolis, MN

Directors Present: David Downs Ben Franske Dave French
Aaron Isaacs Karen Kertzman Darel Leipold
Elaine Love Jim Vaitkunas

Directors Absent: John Dillery

Others Present: Pat Cosgrove Jim Kertzman Bill Pekarna
Dick Zawacki

Call to order was at 7:04 PM.

The agenda was approved with no changes.

Approval of Electronic Votes taken since the last Board meeting.

MOTION: Made by Dave French; Seconded by Karen Kertzman
The e-mail motion and vote held on March 4, 2023 to approve MSM Policy No. 13 Charter and Event Policy is affirmed.
VOTE: Yes – 8; No – 0 Motion carried.

MOTION: Made by Jim Vaitkunas; Seconded by Ben Franske
The e-mail motion and vote held on March 14, 2023 to approve the Tax Year 2022 IRS Tax returns and review and approve the annual report to the Minnesota Attorney General is affirmed.
VOTE: Yes – 8; No – 0 Motion carried.

MOTION: Made by Dave Downs; Seconded by Karen Kertzman
The e-mail motion and vote held on May 22, 2023 to approve the change to MSM Policy No. 10 Financial Operations, to allow the MSM Charter Agents to create invoices is affirmed
VOTE: Yes – 8; No – 0 Motion carried.

Board Chair's Report. Board Chair **Aaron Isaacs** began his report by stating that he has only a few items that he has personally been working on in the last few months. These are listed and described as follows.

- Before his report, **Isaacs** reported that there was an accident at ESL and the rear end of Duluth No. 265 was damaged. Discussion on this will come later in this meeting during the ESL report from **Karen Kertzman**.

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- **Isaacs** then described the proposal to remove the current wood platform at CHSL and to replicate the platform canopy that was a part of the original chalet station torn down in 1954. The current wood platform was built after the track rebuilding project in 2005 because the track was raised in the rebuilding. The platform is about 18-inches above the original concrete platform but has deteriorated and needs replacing. The intent is to use the original TCRT-era concrete platform that's historically accurate. **Isaacs** plans to discuss lowering the track with **Rick Benedict**, the museum's track consultant. **Isaacs** also proposes to build a platform canopy like, but not as large as, the original TCRT canopy. MSM member **Joe Metzler** is working on a design for the platform canopy. This will be an on-going planning project with the funds to do it included in the FY 2024 budget.
- Scanning in the Olson library has been making good progress because of veteran Operator **Floyd Child**. Floyd had about a quarter of the **Russ Olson** streetcar research papers scanned, and he feels he can complete the job by the end of 2023. We also have received several large TCRT drawings that will be scanned, including a drawing of the TCRT streetcar fender which we didn't have.
- MSM member **Leah Harp** was visiting MTM's Jackson Street Roundhouse and was offered several boxes of TCRT transfers. We have them now and many of them are full pads of transfers with a few rare ones in the collection. We may sell some as there are more than we'll ever need.
- **Isaacs** then reported on the Minnesota electric railway history presentations to retirement home residents he has given in the last several years. When **Isaacs** does these, he typically asks for a \$50 honorarium that goes to MSM. After a recent talk at the Presbyterian home in Bloomington, the word was sent to other retirement homes and as a result, he has received requests for talks that are scheduled through the remainder of 2023. **Isaacs** also was invited to talk to a group from the Minnesota Historical Society sometime in the fall and the museum will receive \$350 for that engagement.

Treasurer's Report. Treasurer **Dave Downs** started his report by displaying a summary of the investments that MSM established with the Bond & Devick investment firm several months ago. This report is attached to these minutes. He reviewed the investment philosophy and described the breakdown of where the museum's invested \$300K were distributed. Downs commented that he doesn't monitor investments daily but only periodically because of the usual ups and downs of the stock and bond markets. In general, as of the latest report, the investments are doing well considering we just established the investment account. We're not yet at the point where our investments are meeting our goal of exceeding inflation. At this time the national inflation rate is around three percent, and our rate of return is slightly above four percent. The goal is to have our investment rate of return to be around four percent above the national inflation rate.

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Downs then reviewed MSM’s budget versus actual report and commented that at the six-month mark, the museum is close to the projections established at the beginning of FY 2023. Contributions are ahead of projections and passenger fare income are doing well.

Downs then reviewed the status of the capital improvement projects. The status of each of the projects are shown on the attached financial report. **Aaron Isaacs** commented that regarding the TCRT No. 1239 truck project, **Rob Mangels** who is managing and working on the project hasn’t billed us in several years, so we’ll probably be getting a bill for his work sometime in the future. This was confirmed by Chief Mechanical Officer **Dick Zawacki**. **Isaacs** asked whether we were recording the hours that **Mangels** has spent on the truck project. CMO **Dick Zawacki** replied that he didn’t think so. **Isaacs** then commented that we need to start doing that and **Zawacki** responded that he’ll follow-up on that. Treasurer **Downs** also commented that we need to have an idea of the amount we currently owe to **Mangels** so we can get a better idea of the current financial status on the project.

In answer to a question on the fiber optic cable installed in the spring, Information Technology Officer **Ben Franske** responded that the primary connection is now fully operational.

During the review of the profit & loss report for the period January through July 2023, Chair **Isaacs** asked what the \$735 in interest income was from and **Downs** replied that it came from our savings account. Regarding the budgeted insurance cost, insurance Manager **Jim Vaitkunas** commented that because we had to increase our liability insurance to satisfy the requirement by the Three Rivers Park District at ESL, our insurance payment will be around \$385 over budget in 2023.

Regarding the accident at ESL involving Duluth No. 265, **Dave French** asked does MSM have an emergency fund line-item in the budget to cover the out-of-pocket costs of repairs to both the car barn and No. 265. **Dave Downs** replied that we don’t have such a fund, so any expenses incurred in repairing the ESL car barn and No. 265 will have to be approved by the board as an unbudgeted expense, understanding that we’ll get some amount of funds to cover the damages from our insurance claim.

Treasurer **Downs** then briefed the board regarding the spreadsheet of vendors. **Downs’** intent is to eliminate old vendors on the list that we have not used to purchase services or supplies in several years. Purpose is to streamline MSM’s financial operations and information. **Downs** thanked those who helped with this effort to date.

General Superintendent’s Report. Chair **Isaacs** reported that because **Bruce Gustafson** was not able to attend this board meeting, he submitted a detailed report on the activities of the museum covering the first seven months of 2023 (attached to these minutes). To summarize his report, based on the ridership and other performance metrics, it appears that the museum has rebounded well from the pandemic. None of the directors suggested that the report be reviewed on the screen.

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ESL Superintendent’s Report. Superintendent **Todd Bender** could not attend this meeting, so the ESL report was rendered by **Karen Kertzman**. **Karen** began her report with a description of the accident involving Duluth No. 265 running into the back wall of the ESL carbarn. **K. Kertzman** stated that she, and **Jim Kertzman**, had just met with MSM Safety Superintendent **John Dillery** to report on and document the sequence of events that led up to the accident.

Jim Kertzman described what happened in detail. In summary, after No. 265 operated on Tuesday, July 18, 2023, the car was just outside the ESL carbarn. The overhead power was shut off and the air in the brake system was drained so **J. Kertzman** could lubricate the sticking rear brake handle. Unfortunately, prior to doing all of this, he left the controller in the first notch and the reverse lever in the reverse position. When he completed the work on the rear brake handle the overhead power was restored. Since No. 265 had no air in the brake system and the controller was set for reverse movement, the car started moving. **Jim Kertzman** ran to the front of No. 265 to shut off power to the motors but could not reach the controller fast enough. No. 265 moved into the carbarn and then hit the rear wall of the carbarn. This damaged the barn and also the rear 10 feet of the car above the underframe.

At this point in the meeting, Chair Isaacs interrupted **Jim Kertzman’s** report to tell the meeting participants that he just received a phone call from CHSL Shift Foreman **Mark Digre** that PCC No. 322 had run off the end of the track at CHSL. He had no further details. **Isaacs** then turned the meeting over to Vice Chair **Dave French**, who presided over the remainder of the meeting.

Karen & Jim Kertzman then recounted the sequence of verbal interaction that occurred between them during the time when the air brake repairs were completed, and No. 265 hit the rear wall of the carbarn. This more detailed information was included in the accident report that Safety Superintendent John Dillery has just completed. **Jim Kertzman** then commented that a contributing factor to the accident was that No. 265 doesn’t have an air interlock like the other cars in the museum’s collection. The air interlock prevents a streetcar from getting power until a minimum amount of air is in the air brake system. This fact was confirmed by CMO **Dick Zawacki** who added that the plans are to install this system on No. 265 prior to its return to service.

Insurance Manager **Jim Vaitkunas** then reported that he has already made a report to our insurance brokers in California and has received an e-mail from a claims person for Philadelphia Indemnity Insurance Company with claim information. **Vaitkunas** commented that this claim will be handled like the hail damage claim of 5-6 weeks ago and expects the local claim adjusters to visit the site sometime the week of July 24th to begin the initial claims actions. It’s imperative that the repairs are begun soon to make the carbarn weathertight and to eliminate the possibility of people or animals entering the carbarn. **Karen Kertzman** commented that we’ll need key personnel on-site when the adjuster visits to assess the damage recommending **Howie Melco** and **Dick Zawacki** be present.

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Zawacki replied that he plans to be at the carbarn when the adjuster visits and he concurred that the priority has to be securing/repairing the building. **Vaitkunas** further commented that museum representatives can state the circumstances if asked by the claims adjuster, or anyone else from the insurance company, however the primary cause of the accident is relatively unimportant to the claims process. When asked by **Zawacki**, **Vaitkunas** couldn't remember the company who built the building, but that information can likely be found in the files inside the shop barn. **Karen Kertzman** stated that she would look for information on the builder.

There being nothing further to discuss regarding the 265 accident, Vice Chair **Dave French** asked the group if they know of anything that Chief Engineer **Keith Anderson** might have reported since he's not present at this meeting. **Ben Franske** replied that that information is included in the General Superintendent's report (attached to these minutes).

Training Superintendent's Report. Superintendent of training **Bill Pekarna** gave the directors a summary of the operator training for 2023. We started with 31 people interested in the training but because that group was too large to train, we used a lottery to reduce the number to a manageable 20 trainees. Eighteen trained to operate at CHSL and two at ESL. As of the date of this meeting, one trainee has been certified at ESL and 13 at CHSL. The trainees that are not yet certified will likely not qualify this year. Some might return for further training next year except for one who had marginal operating skills. **Pekarna** then went on to give some statistics on the training for 2023 and thanked the training staff for their efforts this year, which included **Linda Ridlehuber, Dave Higgins, Jerry Betz, Andy Jacob** and several others who helped out from time-to-time.

This year the training staff was proactive in evaluating certain operating personnel when they received reports of operator deficiencies. In one instance an Operator whose operating performance was deemed well below standards was decertified. **Pekarna** reported that he and his staff will continue to be proactive by offering to assist operating personnel with help if requested to improve their operating skills.

Finally, it appears that **Dave Higgins** will retire from active participation in the training department's activities, so the training staff is already discussing potential replacements on the staff. **Pekarna** thanked and praised **Higgins** for his work and help over the past years to train new Operators at both railways.

Vice Chair **French** then gave thanks and praise to **Pekarna** and the training staff for their outstanding work in training our new Operators this year. **French** commented that he feels that the training is getting better each year.

Other Business. **Jim Vaitkunas** commented that so far this year MSM has not had any shifts cancelled caused by a lack of a minimum crew. In particular, the newly trained Operators have helped immensely in plugging holes in the schedule. **Vaitkunas** further commented that he's concerned by the relative lack of participation by some Foremen as he's noticed Foreman vacancies that occur mere days before the shift is scheduled. Luckily the holes have been filled by relatively few Foremen who consistently sign-up at the last

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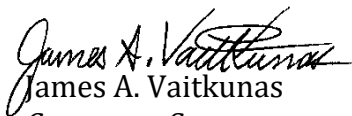
minute to fill the vacancies. Some of these Foremen include **Bill Arends, Aaron Isaacs, Pat Cosgrove**, and several others. **Vaitkunas** also reported that he likely will no longer operate because he can't stand for any length of time account his bad feet and legs.

Chief Mechanical Officer **Dick Zawacki** then reported that he just received a phone call from Chair **Aaron Isaacs** who is at the scene of the accident involving No. 322. The car is off the track at the north end of CHSL with only one axle remaining on the rails. The stated cause of the accident was lack of brakes. There were two passengers on the car and **Leah Harp** was the Operator. None of the two passengers were injured and they were returned to the Linden Hills station aboard TCRT No. 1300. The crew is at the scene awaiting a heavy-duty tow truck and will remain to get the car back on the rails and returned to the carbarn.

Vice Chair **French** then asked Secretary **Vaitkunas** when the next Board meeting will be held. **Vaitkunas** replied that decision should be made between the Chair and Vice Chair. MSM's bylaws states that the board of directors are to meet four times a year. We have not adhered to that requirement for the last several years, the period during the pandemic being one cause of the lack of four board meetings annually. **French** then commented that he didn't like the last-minute change of the date for this meeting. He understands the circumstances surrounding the decision to postpone the board meeting by one week, but he hopes that we try to avoid doing that in the future. Secretary **Vaitkunas** then commented that he recommends that the board meet in person again. Maybe not every meeting, but at least once or twice a year. **French** agreed with that idea and stated that he'll discuss the issue with Board Chair **Isaacs**.

Vice Chair **French** then thanked everyone for their participation in the Board meeting.

There being no further business or reports, the meeting adjourned at 8:16 PM.


James A. Vaitkunas
Corporate Secretary
Minnesota Streetcar Museum

Attachments

1. Finance reports
2. General Superintendent's report and Chief Mechanical Officer's report

Minnesota Streetcar Museum

Treasurer's Report

7/20/2023

Investment Portfolio Update

This is the first Treasurer's Report to include an update on our recently established Investment Portfolio. We invested \$300,000 from our bank savings account with Bond and Devick as our portfolio manager, effective April 4, 2023. We established a Moderate Growth Allocation 55-70% Equities, 45-30% Fixed Income, with a long-term target return of 4% over inflation. Below is a report of the Portfolio status as of July 14, 2023:

Group by: Account/Asset Expand Level Collapse All Export					
Name	As of 07/14/2023 ⁺			Since Inception 04/04/2023 - 07/14/2023	
	Units	Ending Value	Allocation	Return	Net Additions
▼ Minnesota Streetcar Museum	--	312,245.38	100.0%	4.1%	300,000.00
▼ XXXX5413 - THE MINNESOTA STREETCAR MUSEUM	--	312,245.38	100.0%	4.1%	300,000.00
CALVERT EMERGING MARKETS EQUITY I	914.84	15,533.90	5.0%	3.6%	15,000.00
CASH	7,494.12	7,494.12	2.4%	0.0%	7,494.12
ISHARES 3-7 YEAR TREASURY BOND ETF	253.00	29,251.86	9.4%	-1.7%	29,774.66
ISHARES CORE S&P 500 ETF	204.00	92,136.60	29.5%	10.4%	83,456.57
JPMORGAN CORE BOND I	7,240.23	73,850.35	23.7%	-1.5%	75,000.00
NUVEEN SMALL CAP SELECT ETF	1,124.00	25,798.39	8.3%	7.7%	23,956.15
SCHWAB CHARLES FAMILY FD GOVT MONEY INV	9,082.80	9,082.80	2.9%	0.9%	9,000.00
SCHWAB INTERNATIONAL EQUITY ETF	1,624.00	59,097.36	18.9%	4.9%	56,324.22



Our current investment allocations are as follows:

	Percentage
Equities	62%
Fixed Income	33%
Cash	5%
Total	100%

As you can see, our current return is 4.1%, so a bit below our target when considering inflation. However, the market has been on the increase lately, so this position should improve. This is an investment for the long term.

2023 Budget vs. Actuals Report

The 2023 Budget vs. Actuals Report is attached. The report was printed as of June 30, 2023, so is a snapshot of our first six months of activity. Note that the annual budget for each category is evenly spread over the year by month.

- Our total contributions so far are about 17% over budget.
- Passenger Fares are showing well; \$22941 vs. \$25700 budget (90%). We are in our busy season, and I would expect we are exceeding budget at this point half way through July.
- Capital Improvement Projects:
 - ESL Car Barn: The actuals for 2023 are high because the expenditure in 2022 (\$14669) was not booked until shortly after the first of 2023. This was covered by the budget allocation in 2022. Looking just at the 2023 allocation, we have spent \$4228 of a \$5700 budget, so in good shape.
 - ESL Car 10: \$18275 spent of annual budget of \$24000
 - CSHL Car 1239: \$944 spent of annual budget of \$85000
 - CHSL Fiber Optics Installation: \$25657 spent of \$26000
- Note that because our current budget process includes both operational and capital items, when we are spending on capital improvement projects, our net revenue can appear to be negative, as it is here. However, we fund our capital projects from our bank savings account, which is quite well funded. I am working on a process to separate the operational and capital budgets, so that the data will be more representative.

Current Assets

Account	Balance as of June 30, 2023
Huntington Checking	\$ 5,099.24
Huntington Savings	\$ 155,233.18
BD Portfolio	\$ 312,918.01
Inventory	\$ 23,674.00
Total Assets	\$ 496,924.43

Minnesota Streetcar Museum

Budget vs. Actuals: 2023 budget - FY23 P&L Classes

January - June, 2023

	10 CHSL				20 ESL				30 MSM				TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Revenue																
4010 Contributions - Unrestricted									11,479.79	12,499.98	-1,020.19	91.84 %	\$11,479.79	\$12,499.98	\$ -1,020.19	91.84 %
4020 Contributions - Restricted									3,200.00		3,200.00		\$3,200.00	\$0.00	\$3,200.00	0.00%
4110 Passenger Fares													\$0.00	\$0.00	\$0.00	0.00%
4111 Tokens	16,032.00	19,999.98	-3,967.98	80.16 %	2,568.00	3,000.00	-432.00	85.60 %					\$18,600.00	\$22,999.98	\$ -4,399.98	80.87 %
4112 Season Passes	3,914.00	2,500.02	1,413.98	156.56 %	427.50	199.98	227.52	213.77 %					\$4,341.50	\$2,700.00	\$1,641.50	160.80 %
4119 Cash Over/Short													\$0.00	\$ -25.02	\$25.02	0.00%
Total 4110 Passenger Fares	19,946.00	22,500.00	-2,554.00	88.65 %	2,995.50	3,199.98	-204.48	93.61 %		-25.02	25.02		\$22,941.50	\$25,674.96	\$ -2,733.46	89.35 %
4120 Charters	2,515.00	3,000.00	-485.00	83.83 %	510.00	600.00	-90.00	85.00 %					\$3,025.00	\$3,600.00	\$ -575.00	84.03 %
4130 Special Events	3,296.00	12,000.00	-8,704.00	27.47 %	65.00	3,000.00	-2,935.00	2.17 %					\$3,361.00	\$15,000.00	\$ -11,639.00	22.41 %
4150 Merchandise Sales													\$0.00	\$0.00	\$0.00	0.00%
4151 Taxable Sales	7,430.39	10,000.02	-2,569.63	74.30 %	947.20	1,249.98	-302.78	75.78 %					\$8,377.59	\$11,250.00	\$ -2,872.41	74.47 %
4152 Non-Taxable Sales	528.00	700.02	-172.02	75.43 %	96.00	75.00	21.00	128.00 %					\$624.00	\$775.02	\$ -151.02	80.51 %
4159 Sales Tax Expense		-450.00	450.00			-75.00	75.00		-1,767.00		-1,767.00		\$ -1,767.00	\$ -525.00	\$ -1,242.00	336.57 %
Total 4150 Merchandise Sales	7,958.39	10,250.04	-2,291.65	77.64 %	1,043.20	1,249.98	-206.78	83.46 %	-1,767.00		-1,767.00		\$7,234.59	\$11,500.02	\$ -4,265.43	62.91 %
4160 Member Dues									8,645.00	6,499.98	2,145.02	133.00 %	\$8,645.00	\$6,499.98	\$2,145.02	133.00 %
4190 Miscellaneous Income									50.00	1,000.02	-950.02	5.00 %	\$50.00	\$1,000.02	\$ -950.02	5.00 %
4191 Interest Income									973.36		973.36		\$973.36	\$0.00	\$973.36	0.00%
Total Revenue	\$33,715.39	\$47,750.04	\$ -14,034.65	70.61 %	\$4,613.70	\$8,049.96	\$ -3,436.26	57.31 %	\$22,581.15	\$19,974.96	\$2,606.19	113.05 %	\$60,910.24	\$75,774.96	\$ -14,864.72	80.38 %
GROSS PROFIT	\$33,715.39	\$47,750.04	\$ -14,034.65	70.61 %	\$4,613.70	\$8,049.96	\$ -3,436.26	57.31 %	\$22,581.15	\$19,974.96	\$2,606.19	113.05 %	\$60,910.24	\$75,774.96	\$ -14,864.72	80.38 %
Expenditures																
5100 Repairs and Maintenance													\$0.00	\$0.00	\$0.00	0.00%
5110 Engineering (Track & Overhead)		600.00	-600.00			700.02	-700.02						\$0.00	\$1,300.02	\$ -1,300.02	0.00%
5120 Buildings and Grounds	809.89	1,600.02	-790.13	50.62 %	47.21	925.02	-877.81	5.10 %					\$857.10	\$2,525.04	\$ -1,667.94	33.94 %
5121 ESL Car barn CIP (ESL, concrete, 2023)					18,898.00	2,850.00	16,048.00	663.09 %					\$18,898.00	\$2,850.00	\$16,048.00	663.09 %
Total 5120 Buildings and Grounds	809.89	1,600.02	-790.13	50.62 %	18,945.21	3,775.02	15,170.19	501.86 %					\$19,755.10	\$5,375.04	\$14,380.06	367.53 %
5130 Streetcar Maintenance	569.07	9,499.98	-8,930.91	5.99 %		4,350.00	-4,350.00						\$569.07	\$13,849.98	\$ -13,280.91	4.11 %
5131 Car 10 CIP (ESL, 24,000, 2023)					18,275.00	12,000.00	6,275.00	152.29 %					\$18,275.00	\$12,000.00	\$6,275.00	152.29 %
5133 Car 1239 Rebuild (CHSL, 85,000, 2023)	944.86	42,499.98	-41,555.12	2.22 %									\$944.86	\$42,499.98	\$ -41,555.12	2.22 %
Total 5130 Streetcar Maintenance	1,513.93	51,999.96	-50,486.03	2.91 %	18,275.00	16,350.00	1,925.00	111.77 %					\$19,788.93	\$68,349.96	\$ -48,561.03	28.95 %
Total 5100 Repairs and Maintenance	2,323.82	54,199.98	-51,876.16	4.29 %	37,220.21	20,825.04	16,395.17	178.73 %					\$39,544.03	\$75,025.02	\$ -35,480.99	52.71 %
5200 Operations													\$0.00	\$0.00	\$0.00	0.00%
5220 Permits, Licenses, & Dues						124.98	-124.98		250.00	100.02	149.98	249.95 %	\$250.00	\$225.00	\$25.00	111.11 %
5230 Volunteer Services										499.98	-499.98		\$0.00	\$499.98	\$ -499.98	0.00%
5290 Special Events	1,768.99	1,840.02	-71.03	96.14 %		499.98	-499.98						\$1,768.99	\$2,340.00	\$ -571.01	75.60 %
Total 5200 Operations	1,768.99	1,840.02	-71.03	96.14 %		624.96	-624.96		250.00	600.00	-350.00	41.67 %	\$2,018.99	\$3,064.98	\$ -1,045.99	65.87 %
5300 Insurance									9,744.34	5,500.02	4,244.32	177.17 %	\$9,744.34	\$5,500.02	\$4,244.32	177.17 %
5400 Utilities													\$0.00	\$0.00	\$0.00	0.00%
5410 Electricity									3,341.10	4,500.00	-1,158.90	74.25 %	\$3,341.10	\$4,500.00	\$ -1,158.90	74.25 %
5420 Natural Gas									2,136.32	1,375.02	761.30	155.37 %	\$2,136.32	\$1,375.02	\$761.30	155.37 %
5430 Water & Sewer									1,038.20	1,000.02	38.18	103.82 %	\$1,038.20	\$1,000.02	\$38.18	103.82 %
5470 Security System									1,836.00	1,000.02	835.98	183.60 %	\$1,836.00	\$1,000.02	\$835.98	183.60 %
Total 5400 Utilities									8,351.62	7,875.06	476.56	106.05 %	\$8,351.62	\$7,875.06	\$476.56	106.05 %
5600 Exhibits & Archive Aquisition									1,050.53	450.00	600.53	233.45 %	\$1,050.53	\$450.00	\$600.53	233.45 %
5800 Merchandise Cost									9,935.63	6,750.00	3,185.63	147.19 %	\$9,935.63	\$6,750.00	\$3,185.63	147.19 %
6020 Phone & Internet	14.99		14.99						2,691.16	1,500.00	1,191.16	179.41 %	\$2,706.15	\$1,500.00	\$1,206.15	180.41 %
6022 CIP (CHSL, 26,000, fiber connection)	1,028.62		1,028.62						25,657.67	13,000.02	12,657.65	197.37 %	\$26,686.29	\$13,000.02	\$13,686.27	205.28 %
Total 6020 Phone & Internet	1,043.61		1,043.61						28,348.83	14,500.02	13,848.81	195.51 %	\$29,392.44	\$14,500.02	\$14,892.42	202.71 %
6030 Administrative Expenses									554.89	1,000.02	-445.13	55.49 %	\$554.89	\$1,000.02	\$ -445.13	55.49 %
6035 Technology										2,650.02	-2,650.02		\$0.00	\$2,650.02	\$ -2,650.02	0.00%
6060 Membership Publications									5,708.06	6,000.00	-291.94	95.13 %	\$5,708.06	\$6,000.00	\$ -291.94	95.13 %
6090 Other Admin Expense													\$0.00	\$0.00	\$0.00	0.00%
6092 Bank Service Charges									220.19	49.98	170.21	440.56 %	\$220.19	\$49.98	\$170.21	440.56 %
6093 Credit Card Service Charge									1,462.07	1,999.98	-537.91	73.10 %	\$1,462.07	\$1,999.98	\$ -537.91	73.10 %

Minnesota Streetcar Museum

Budget vs. Actuals: 2023 budget - FY23 P&L Classes

January - June, 2023

	10 CHSL				20 ESL				30 MSM				TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total 6090 Other Admin Expense									1,682.26	2,049.96	-367.70	82.06 %	\$1,682.26	\$2,049.96	\$ -367.70	82.06 %
6600 Reconciliation Discrepancies									-158.00	-49.98	-108.02	316.13 %	\$ -158.00	\$ -49.98	\$ -108.02	316.13 %
Total Expenditures	\$5,136.42	\$56,040.00	\$ -50,903.58	9.17 %	\$37,220.21	\$21,450.00	\$15,770.21	173.52 %	\$65,468.16	\$47,325.12	\$18,143.04	138.34 %	\$107,824.79	\$124,815.12	\$ -16,990.33	86.39 %
NET OPERATING REVENUE	\$28,578.97	\$ -8,289.96	\$36,868.93	-344.74 %	\$ -32,606.51	\$ -13,400.04	\$ -19,206.47	243.33 %	\$ -42,887.01	\$ -27,350.16	\$ -15,536.85	156.81 %	\$ -46,914.55	\$ -49,040.16	\$2,125.61	95.67 %
NET REVENUE	\$28,578.97	\$ -8,289.96	\$36,868.93	-344.74 %	\$ -32,606.51	\$ -13,400.04	\$ -19,206.47	243.33 %	\$ -42,887.01	\$ -27,350.16	\$ -15,536.85	156.81 %	\$ -46,914.55	\$ -49,040.16	\$2,125.61	95.67 %

Minnesota Streetcar Museum

General Superintendent's Report – July 2023

I. GENERAL COMMENTS

- Ridership. 2023 is off to a strong start. Year-to-Date (YTD) general ridership appears to be up about 10% over last year and comparable to 2019. We have seen a couple of special events not performing as well as anticipated, but the early year special events are not material in terms of ridership or even revenue. Fall/ winter special events are the money makers. We have had a number of noteworthy operational activities – some new, some continuing that included “All Aboard”, Motorette, ASL Interpreter, and a photo shoot events.
- Charter Schedule. We began the 2023 operating season trying again to capture the elusive CHSL Saturday charter business. Historically we had allowed charters during regular operations, but as charters want car 1300, this created a logistical nightmare in getting a PCC qualified crew to pick up the regular schedule while car 1300 operated the charter. Last year we tried pre-planning for charters by providing a dedicated charter car during the first shift. Unfortunately, the charter volume was not sufficient to warrant the dedicated car and the general volumes did not merit a two-car operation. This year we attempted to allow charters to occur on Saturday between 11:00 and the start of normal operations at 12:30. This proved to be too disruptive to the shop time and so the practice has been halted. We will continue to explore options but will likely refrain from Saturday charters in the future.
- Disciplinary Actions. The least enjoyable aspect of any leadership position is to have to take corrective actions against individuals. Unfortunately, we have had a couple of instances this year that had to be addressed.
 - Removed operator for ongoing issues in not following the sequence of operations and generally operating in an unsafe way. The positive news in this is that foremen identified an issue, which was quickly followed up by our training superintendent who verified the behavior and attempted spot coaching. The appropriate steps were followed.
 - Inappropriate communication of operating behavior. Our policy outlines a very clear chain of command process to address operating issues that do not present an imminent safety issue. If an operator sees behavior that should be addressed, he/she is supposed to inform the foreman who is responsible to address the situation as appropriate with the “offending” operator. If the infraction is of sufficient merit it is escalated to the General Superintendent. We had an incident where one operator addressed a second operator directly on how to operate. This did not go well – and is why we have a written policy on responsibilities and chain of command. Appropriate behavior has been reviewed with all impacted parties. Subsequent infractions will result in disqualification.
- Operating Procedure Confusion – CHSL – Crossing of 42nd Street. We have a formal, defined process on responsibility to control traffic. While the responsibility is with the crossing guard, who is standing in the middle of the street, to actively control traffic and signal to the operator

when it is safe to move through the crossing, we have had instances where the operator is providing traffic directions. I have communicated this process to the foremen but in retrospect the failure for clear understanding is at least in part due to my decision not to require an in-person foremen meeting at the start of the season. As a result, for the 2024 operating season a mandatory in-person foremen meeting(s) will be held.

II. OPERATIONS

RIDERSHIP

One of the few advantages of the weather this summer is that there have not been many shifts impacted by rain. For the 2023 data I am using sales through POS system and increasing the token sales by 1.2 (a historical relationship) to estimate the number of passengers. Going forward I will try and collect the shift reports for more accurate information.

CHSL

Through the first two months ridership is up 10% over last year and essentially flat with 2019. (Recall that we did not start operations in 2021 until July).

CHSL				2023 Variance <i>incr/ (decr)</i>
	Date	Tokens	Passengers	
2023	Total May			
	Total June			
	Total - YTD June	5,502	6,574	
2022	Total May	1,925	2,300	
	Total June	3,045	3,638	
	Total - YTD June	4,970	5,938	636
2021	Total May		0	
	Total June		0	
	Total - YTD June		0	6574
2019	Total May		2,529	
	Total June		4,128	
	Total - YTD June		6,657	(83)

ESL

YTD ridership is 856 tokens sold and an estimated 1,027 riders (again using a 1.2 multiplier).

CHARTERS

Using a combination of data sources, we have sold (POS system) through June 30, 27 charters and operated 14. Charter totals includes motorman certificates. I have a small discrepancy in a number, but I believe that is due to the time period of the information.

CHARTERS - Thru 6/30

	No. Sold	No. Operated	No. Scheduled	No. in Process
CHSL	23	11	12	-
ESL	4	3	1	7
	27	14	13	7

SPECIAL EVENTS

CHSL (Rod Eaton)

- New Events
 - Doors Open Minneapolis. The event was a big success. We should participate again next year.
 - Summer Santa. Summer Santa, got off to a slower than hoped first run in June. Santa, of course, never disappoints and we will see if the planned August event improves on attendance. Based on overall attendance we will evaluate for 2024.
- Partnership Events
 - PJ Parties. The return of our Wild Rumpus Books PJ Parties, after a three-year pandemic absence, is proving very successful. So far both June and July events are sold out. August will go on sale mid-July. And we have a Halloween themed event in October. Barb Gacek is coordinating the events.
 - Streetcar Murder Mystery. Also returning this summer is the Streetcar Murder Mystery. We have scheduled only three performances this year instead of six, but with higher ticket prices.
- Forward Look.
 - Streetcar Camps. Both August Streetcar Camps are full. Andy Jacob is assuming the Head Camper role.

- Halloween. Tickets are on sale on our website for both our Graveyard Ghost Stories and The Late Show. Last year we reworked Ghost Trolley, now called Streetcar Named Expire. Although ridership was low the new format was well received. This year we will dial up the scares as we aim to attract more teens and young adults to the event.
- Vinternatt. I would like to organize Vinternatt this December. Last year was cancelled due to heavy snowpack, and this spring we lost the event’s coordinator, Patrick Desbonnet. The event requires lots of work but is a much appreciated and beautiful event. It also earns a couple thousand dollars in a single night.
- Need Event Coordinator. Rod is retiring from the overall responsibility. While individuals have stepped up for specific events, we need someone who is extremely well organized and a strong communicator to replace Rod for the 2024 season.

ESL (Karen Kertzman)

- Year-to-Date
 - StoryTime Trolley. The June event was full of stories, songs, and silly activities. Ridership was down somewhat, a total of 53 riders.
 - 4th of July. The morning rain forced the shift to start an hour late. Once the weather cleared up, 142 passengers (actual count) rode on DSR
- Forward Look
 - StoryTime Trolley. The next event is July 11th. Online ticket sales are going well, 61 tickets have been sold to-date.
 - Excelsior Crazy Days. July 22 & 23, events bring crowds to the streetcar. We are hoping for good weather as it has been a successful event in the past.

III. STAFF

NEW OPERATORS (Bill Pekarna, Karen Kertzman)

The training season began with 31 people interested in enrolling in the training program for 2023, twenty of these were selected as Operator Trainees. Two of these volunteers have been assigned to ESL and are currently still training. Of the remaining 18 trainees assigned to CHSL 13 have certified and are operational. Most of these new volunteers are exceptional Operators and will no doubt be an asset to our museum.

We have conducted a total of 73 2-hour training sessions at CHSL. The Training Department was also involved with several recertification/refresher training sessions along with providing forestry (overhead wire branch clearing) expertise. Our instructors are to be commended for their dedication and time commitment. The bulk of our CHSL training was handled by Bill Pekarna, Linda Ridlehuber, Jerry Betz, Andy Jacob, and David Higgins. Additional assistance was provided by Katie Barron, Pat Cosgrove, and Rod Eaton.

Training at ESL is taking slightly longer because new operators need to be certified on both No. 78 and 265. The two new ESL operators – one qualified 7/8 and the other one is expected to finish soon.

QUALIFIED OPERATORS SYSTEM

The current roster (7/10) has 111 qualified operators, including a few that operate at both lines. Of the 111 operators 90 were active. The 81% active is very consistent with prior years.

COMO-HARRIET

- At Como-Harriet we have 89 operating personnel compared to 92 in 2022, 81 in 2021 and 90 in 2019. YTD operating hours are approximately 1,300. Following historical patterns, a small group (14 volunteers) have contributed 50% of the total operating hours at Como-Harriet. These individuals are Bill Way, Aaron Isaacs, Rod Eaton, Linda Ridlehuber, Pat Cosgrove, Bruce Allyn, Fred Beamish, Nick Mainguy, Griffin Lawrence, Mike Buck, Bill Arends, Jerry Betz, Anja Curiskis, and Leah Harp.

EXCELSIOR

- At ESL we have 28 certified operating personnel compared to 34 in 2022, 27 in 2021 and 43 in 2019. 23 (82%) of the operators operated YTD 2023 contributing 300 hours. A small group of volunteers (7) have contributed over 50% of the total operating hours at ESL. These individuals are Mike Buck, Tim Gephart, David Downs, Charles Karver, Tom Dulebohn, Greg Thomas, and Pete Cahill.

IV. MISCELLANEOUS

ESL (Karen Kertzman, Todd Bender)

- Interesting Updates
 - Signed a three-year trail access permit with Three Rivers Park defining rules for volunteers' automobile access to the trail and trail parking.
 - "Layline", the new restaurant next to the ticket booth, had its soft opening over the 4th of July, hard opening is at the end of the month. Unfortunately, the proposed restaurant hours are outside ESL's regular operations schedule.
- Mechanical
 - Completed tower car - safety enhancements
 - Speeder - clean up and rewiring
- Facility
 - Completed new passenger platform for entering carbarn for tours
 - Painted and repaired carbarn service doors
 - Drilled holes in the new concrete for bottom door pins on all 3 tracks to secure the doors
 - Aligned carbarn doors with the concrete
- Track/ Grounds
 - Pounded in the loose spikes along the track
 - Sprayed the entire track for weeds between the rails

CHSL (Keith Anderson)

- 42nd Street Depot Platform. Due to aging, several boards on the platform had wrapped and were hitting the streetcar as it came into the station. Temporary work has been completed to

address the immediate problem, but a longer-term solution is needed. The current plan is to get funding into the 2024 budget for construction in 2024. This could include a platform canopy similar to the canopy that was there in Chalet Station days.

- Also considering a tie replacement project in 2024

V. STATION / MERCHANDISE

The following table summarizes POS sales excluding special events, charters, and shipping fees (for online purchases) year-to-date June 30 and the 4th of July weekend. Sales as defined in the table (including passes/membership) represents ~30% of the POS activity. Artifacts and Toys continue to be the biggest sales categories outside of Passes/Membership – which is comparable to our 2022 activity. Passes/Membership ended 2022 at 21% of total sales (it is 33% in the current view) as sales of those items tends to be very seasonal.

It is also of note that we continue to see strong Online.

	SALES THRU 6/30			POS 4th Wkend
	POS	Union Depot	Online Sales ⁽¹⁾	
Passes/Membership	\$4,089	33%		\$117
Artifacts/ Historic Souvenirs	\$2,719	22%	\$17	\$388
Toys	\$2,131	17%		\$321
Books	\$1,326	11%	\$223	\$71
Donations	\$625	5%		\$21
Jewelry	\$560	4%		\$10
Clothing	\$551	4%	\$126	\$33
Candy	\$492	4%		\$42
Other	\$32	0%		\$14
Total	\$12,524		\$366	\$1,016

(1) Does not include special event, charters, or shipping fees.

Minnesota Streetcar Museum

Mechanical Department Report – July 2023

Dick Zawacki

CHSL CARBARN ACTIVITY AND STREETCAR STATUS

Our old tower car was delivered to National Capital City Trolley Museum (just north of Washington D.C.) in June. We considered separating the tower structure from the rolling base for shipment, but ultimately did not. The entire machine was simply laid down on the trailer, with Park Board assistance and secured. Other than the time and effort needed to prepare and load the tower car superstructure on the truck, MSM incurred no expense to complete this project. Once again, we got great cooperation from the Minneapolis Park Board maintenance crews who used one of their heavy-duty forklifts to load the tower car on a semi-trailer. Meanwhile, our new tower car is fully operational and has been used a number of times this spring to help maintain our right-of-way.

We recently received a quantity of 55 new brake shoes using grey cast iron as the designated material. The standard or traditional MSM brake shoe material is grey cast iron. In 2019, we sought a second source due to extended delivery times from our traditional supplier, Smith Foundry. In the process, we talked to Acme Foundry, also located in Minneapolis. They suggested ductile cast iron shoes because the big railroads were using them. Due to concerns about wheel wear (ductile iron is harder/stronger) and a possible increase in noise, we placed an order for 8 shoes (one complete set) made from ductile iron. Shortly thereafter, Acme had a major equipment failure and closed their doors. Ironically, our limited order for ductile iron shoes was subcontracted to nearby Smith Foundry.

While preparing for the start of training activities in early April, TCRT 1300 derailed. The car incurred some minor damage caused by the rerailing efforts, however, not serious enough to prevent the car from operating. We are considering new policies to reduce the possibility of this happening again.

Changing our policies to not allow Saturday charters has greatly improved the lives of the CHSL maintenance crews. They can now plan to have access to work on all the streetcars during their entire regular shifts on Tuesday and Saturday mornings. When charters were scheduled during the maintenance shift, the crews would have to quit working on the car at least 45 minutes to an hour before the start of the charter to be sure it was ready to carry passengers. This would severely limit the time available for the crew to maintain the car.

TCRT 1300

As our flagship, TCRT 1300 supported the majority of our training activities, regular season operations, charters, and special events at CHSL during the first three months of the 2023 operating season. The car operates well, and the maintenance crew is able to handle the daily problems that arise with the car.

TCRT 322

TCRT 322 continues as the operational car on most Saturday first shift operations. Repairs to some body areas at the rear of the car are continuing.

TCRT 1239

Work to replicate the Baldwin #5 trucks that were originally under the car continues. The crew has started to assemble and weld together the new truck frame in the cold barn at CHSL.

ESL CARBARN ACTIVITY AND STREETCAR STATUS

Concrete work was completed with the installation of the sidewalk on the side and apron in front of the carbarn. The crew installed a new 4" drain tile under the tracks in front of the carbarn doors to help drain water from the track yard.

DSR 78

The car continues to support regular revenue and charter service as needed during the first two months of 2023. The car was taken out of service about 3 weeks ago due to problems with the brake system. The maintenance crew is working to resolve the problem.

DSR 265

The car supported the majority of the ESL's training activities, regular operations, special events, and charter operations in the first 3 months of 2023. With guidance from Jim Wilmore, the ESL crew replaced all 8 brake shoes on the car.

MVPS (Winona) 10

After a 4 ½ year journey through 3 different motor restoration shops, Swiger Coil successfully rebuilt our GE-800 motor. It arrived at ESL on June 27. Plans are now in motion to reinstall the motor into the car this summer and have it completed by the fall of this year. The car certainly will not be ready for revenue operations until sometime later in the 2023 operating season.

Mesaba 10

Additional clean out work continues on Mesaba 10 in preparation for starting some restoration work later in the summer of 2023. The long term plan continues to be to restore sections of the car as a part of creating a display to show our patrons how the on-going restoration process happens.