

DRAFT

MINNESOTA STREETCAR MUSEUM

MINUTES

Board of Directors Meeting
7:00 PM – Monday – December 8, 2025
Computer Tele-Conference using Zoom Application
Minneapolis, MN

Directors Present:	John Dillary	David Downs	Ben Franske
	Dave French	Aaron Isaacs	Karen Kertzman
	Elaine Love	Jim Vaitkunas	
	Katie Barron (arrived at 7:50 PM)		
Directors Absent:	Andy Jacob	Darel Leipold	
Others Present:	Keith Anderson	Todd Bender	Pat Cosgrove
	Jerry Draeger	Tim Gephart	Bruce Gustafson
	Brian Long	Bill Pekarna	Dick Zawacki

The meeting was called to order at 7:00 PM.

The agenda was approved with no changes.

Approval of the minutes of the board of directors meeting held on August 8, 2025.

MOTION: Made by Elaine Love; Second by Ben Franske The minutes of the board of directors meeting held on August 8, 2025 are approved as to form and content.
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VOTE: Yes 8–No – 0 **Motion Approved.**

Approval of one electronic vote taken since the last Board meeting.

MOTION: Made by Dave Downs; Second by Karen Kertzman The electronic vote held on September 5, 2025, to change MSM's insurance agents, and to appoint Tim Gephart as MSM's insurance manager , is affirmed.
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VOTE: Yes – 8; No – 0 **Motion Approved.**

Board Chair's Report. Board Chair **Aaron Isaacs** began by stating that he had only a couple of brief comments for this meeting.

- Now that the 2025 operating season has ended, Chair **Isaacs** commented that he was pleased with the results of the year. Congratulations to everyone for a job well done. There were some rough spots during the season including some bad weather, but the report from **Dave Downs** that we'll get shortly will confirm his assessment that the 2025 season was good.

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- The big event that's on the calendar is the museum's long-range planning meeting scheduled for Saturday, January 3, 2026, starting at 10 AM. Location is the Linden Hills Park recreation center. **Isaacs** confirmed attendance by several attendees at this director's meeting and highlighted the importance of attending the meeting and providing input for the decisions that will be made at the meeting.

Treasurer's Report. Before Treasurer Downs rendered his report, Chair **Isaacs** commented that he and **Downs** had just met with the museum's financial advisors. Because of the uncertain stock market situation and the uncertainty of the tech industry and Artificial Intelligence (AI) influencing the stock market, the museum has revised the equity versus bond split for our investments. **Downs** will have more on this in his report.

Treasurer **Dave Downs** started his report by displaying a PowerPoint presentation showing MSM's financial information (attached to these minutes). The information displayed is for the current fiscal year through November 30, 2025.

- Table #1 which displays museum cash, savings and investments categorized by type. Currently the museum has approximately \$550K in investments, cash on hand and savings. The investment account has performed very well as have the stock and bond markets in general. **Downs** commented on several of the dips and deviations in the various accounts as reflected on the first table, which are to be expected with the recent volatility of the stock market. **Downs** highlighted our strong financial position, which allowed the museum to use operational income to pay for several major projects rather than taking the funds from our investment account.
- **Downs** then displayed the investment chart which showed that since the museum established the investment account, the overall return was approximately 34%. The annual return was averaging 11.7%. The stock market gains over the last year or two have helped in our very good return on the museum's investment portfolio.
- **Downs** then displayed the change in portfolio allocations that was mentioned by Chair **Isaacs** earlier. During the recent meeting, **Downs** and **Isaacs** expressed concern to the museum's investment advisors regarding the potential for a market downturn. **Downs** and **Isaacs** felt that the percentage of our investments in equities may be too high. The advisors agreed that it would be prudent to look at the investment allocations in the museum's portfolio. The result of this discussion was that the percentages of equities and fixed income investments were adjusted as shown on the chart. These percentages are still within the investment guidelines stated in MSM's investment policy statement. **Downs** further commented that this capital preservation strategy would reduce the impact of a market downturn if it happened. **Downs** stated that ironically if the major technology companies were eliminated from the museum's investment portfolio, the museum's return on investment would not be nearly as high as it has been.

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Chair **Isaacs** then commented that he and **Downs** felt that with several past stock market “bubbles”—the “dotcom” bubble in the late 1990s; and the real estate bubble in 2008—the general feeling is that the market is due for a correction sometime in the not-too-distant future. Our strategy has been to preserved our “nest egg.” However, when we reduce the proportion of equity holdings, we will also reduce the good return on investment we’ve been enjoying for the last several years. In summary we decided that safety and stability of our investments will take priority over return on investment.

Secretary **Vaitkunas** then asked if the investments advisors had the same conclusion regarding stock market volatility that **Downs** and **Isaacs** had. **Isaacs** replied that they did and their report to the museum reflected that the markets could see a downturn sometime in the future. **Downs** commented further that the advisor’s report stressed this uncertainty and recommended that MSM adjust the balance of the investments. **Downs** also stated in reply to another question from **Vaitkunas** that the museum did have to take some funds out of our investment account to pay for certain capital projects but because we had such good income from operations in 2025, we didn’t have to take out much. **Jerry Draeger** asked if the museum is investing in individual stocks and bonds. **Downs** replied that MSM’s investments are all in mutual funds.

- **Downs** then displayed the budget versus actual chart and briefly discussed the several income accounts as shown on the table. Notable categories were passenger fares and charter receipts which exceeded budget estimates. On the expense side, total actual expenditure was well below the budget amount. Bottom line, for FY 2025, MSM’s net revenue was \$41,499 which result comes from the conservative approach the museum takes to budgeting. Director **John Dillery** commented that on several charters he worked on this year, several passengers mentioned that they booked their charter because of the good experience they had with our regular scheduled service and from our operating personnel. This highlights the importance of providing quality experience and promoting the charters to our regular passengers.
- **Downs** then reviewed the capital improvements table. The Winona No. 10 window shade expenses were struck out, as there was no spending in 2025. He then went through the remaining projects and there were no comments or questions on them. **Downs** stated that of the \$161, 317 expenses for 2025, about \$47,000 came from operational funds allowing funds to remain in our investment account.

Chair **Isaacs** commented on the tie replacement expenses shown in the table. Consulting with Chief Engineer **Keith Anderson**, **Isaacs** stated that with two tie replacement projects occurring over the last 15-20 years, the track at both railways was in good shape. The museum’s track is clearly in Federal Railroad Administration

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Administration Class 2 standard which allows for speeds up to 30 miles per hour in passenger service so that will be the standard for CHSL and ESL. (*NOTE: the museum is exempt from complying with FRA standards.*) Also, considering the weight of the streetcars compared to a standard freight or passenger car, this is more than acceptable, and **Isaacs** doesn't foresee any major tie replacement project occurring in the next five years or so. **Isaacs** and **Anderson** will finish a tie inventory (started in 2025) in 2026 and then the condition of the ties in the track will be documented. The object is to not spend money on ties (tie replacement can cost upwards of \$50,000) while ensuring that the track is safe for operations.

MSM member **Pat Cosgrove** commented that these decisions should be documented, and **Isaacs** replied that **Anderson** will render a full report on the status of the track structure in spring of 2026. **Anderson** then reported that the tie inventory is being done in detail, rail by rail, and the report will document the quality of our entire track structure well.

Treasurer **Downs** concluded his report by thanking all who worked to make our 2025 operations a success. He also thanked all who provided input to the budget process in early 2025 and that the FY 2026 budget process will be starting soon with a call for budget input. He estimates that a budget meeting will be held sometime in mid-late January 2026.

General Superintendent's report. General Superintendent **Bruce Gustafson** began his report by stating that he does not have a full annual report on the museum's operations right now. He plans to gather final year-end data and information over the next two weeks and submit that report to Secretary **Vaitkunas** for inclusion with the minutes of this meeting. (*NOTE: These will be included with these minutes when received.*)

Gustafson began by discussing the year-to-date performance of CHSL and ESL. The information displayed is for the period January 1 to October 31, 2025. For the 2025 season's operating personnel, MSM had 114 operators on the roster, which is generally in line with past several years. Ninety percent of the 114 qualified operators volunteered on a shift. This is somewhat higher than in previous years and reflects good volunteer motivation and participation.

Gustafson then transitioned to the point-of-sale financial information displayed on table #1. Gustafson stated that this chart shows that for 2025, 55% of revenue is from passenger fares, merchandise is 19% and special events account for 11% of total revenue. The difference between data on this table and that displayed by Treasurer **Downs** is that this table does not show income from dues and contributions.

Gustafson then transitioned to the year-over-year comparison chart which displayed the increase or decrease in revenue between 2024 and 2025. As shown, passenger fares were up by 3% and charter revenue by 37%. The reduction in ticketed special event revenue resulted from the cancellation or discontinuance of several large special events in 2025.

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The bottom line is that for the year, the income was essentially the same in 2025 as it was in 2024.

Gustafson concluded his report with a request for comments. Chair **Isaacs** commented that 2025 can be looked at as a transition year for special events. The new Special Events Coordinator **Katie Barron** has done a very admirable job this year and is commended for her fine work filling **Rod Eaton**'s big shoes. The 2026 season's special events will be topics for both a debriefing involving **Barron, Gustafson** and **Isaacs** and will be discussed at the spring 2026 Operations Committee meeting.

Chief Mechanical Officer's report. CMO **Dick Zawacki** reported that the wheel, axle and gear sets for the No. 1239 truck rebuild project have arrived at CHSL from Lyons Industries in Ohio. Now serious work can begin on rebuilding the trucks of TCRT No. 1239. Work won't go as quickly, however, because that work will be done in the unheated part of the Isaacs carbarn. The brake problems with Winona No. 10 were addressed by the Excelsior shop volunteers and they found that the brake shoe holders were not aligned properly with the wheels. **Dennis Stephens** helped by modifying the brake shoe holders and recent testing resulted in much improved braking for Winona No. 10. Director **Ben Franske** asked if the brake shoe problem was the main cause of the car not being in service at ESL. **Zawacki** replied that it was, and the goal of the ESL shop crew is to get the car in revenue service for the 2026 operating season.

Insurance Manager's Report. MSM Insurance Manager **Tim Gephart** reported that the Volunteer accident insurance has been renewed at the same premium. The property and liability policies don't renew until March 2026. The Board approved the change in insurance agents at the last board meeting so the Maguire Agency will become the agency of record effective with the start of the new policy terms in early March 2026. Our insurance agent at Maguire, **Jeff Erager**, has years of experience working in the industry and with non-profit organizations and he has already been shopping the program with other insurance providers. **Erager** offered to brief the board if we have any questions or concerns. He can also explain current trends and problems within the insurance industry. **Gephart** will meet with **Erager** and Treasurer **Dave Downs** on December 12, 2025 to review our current insurance program.

Gephart continued by stating that it was a good move by MSM to have a local insurance agent. Already we have called upon **Erager** to help with questions on the Excelsior carbarn's roof posed by **Jerry Draeger**. **Erager** made some enquiries among his contacts, and we received information within a matter of days. So having a local insurance agent has already made the decision to change agents a good one.

Secretary **Vaitkunas** agreed with **Gephart**'s comment that the move to the new agents was good one. The letter to HUB International, our former insurance agents, informing them of the change in agent of record was sent to them in September 2025 and they have not responded to being dropped as our insurance agents.

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Other Reports.

Excelsior Streetcar Line. ESL Superintendent **Karen Kertzman** reported that this past season was a good one for ESL. Unfortunately, the Jingle Bells Trolley special event had to be cancelled because No. 265 had a frozen brake system. The shop crew will hopefully fix that problem for next year if they can. Ticketed events did very well. Kertzman praised **Rod Eaton** for the excellent and beautiful promotional poster for the story time trolley.

Passengers took photos of the posters and shared them with their friends. This resulted in sold-out runs for the story time trolley. Another major accomplishment was the installation of solar powered electricity into the ticket booth. The process was lengthy because of the approval process and finally the solar panels were installed and they work well.

Information Technology. IT Manager **Ben Franske** reported that the museum's servers were upgraded earlier in 2025. They replaced the server that was ten years old! Security cameras have been installed under the new platform canopy. In the spring of 2026, the security camera mounted on a trolley wire support pole south of the depot will also be a railfan webcam. The camera will have a good view of the overall depot area looking north.

Status of Shift Fills in 2025. Chair **Isaacs** asked Assistant Operations Chief **Jim Vaitkunas** how the museum did in filling shifts in 2025. **Vaitkunas** replied that both railways did very well especially ESL. No shifts were cancelled because of lack of a minimum crew.

Vaitkunas further cited statistics on number of shifts pulled by newly trained Operators.

Special Events Manager. **Katie Barron** responded to comments from Chair **Isaacs**. The core special events went very well. However, we need to do more to promote them in the immediate Linden Hills neighborhood and beyond. Regarding the Vinternatt event, **Barron** wants to have a core group to help manage this event. The time was too short in 2025 to organize this labor-intensive event.

New Business. Chair **Isaacs** reminded those present at this meeting of the long-range planning session scheduled for Saturday, January 3, 2026. Several people will provide reports for the meeting, and these will be sent to all prior to the meeting.

Adjournment. There being no further business or reports, the meeting adjourned at 8:02 PM.

DRAFT

James A. Vaitkunas
Corporate Secretary
Minnesota Streetcar Museum

Attachments

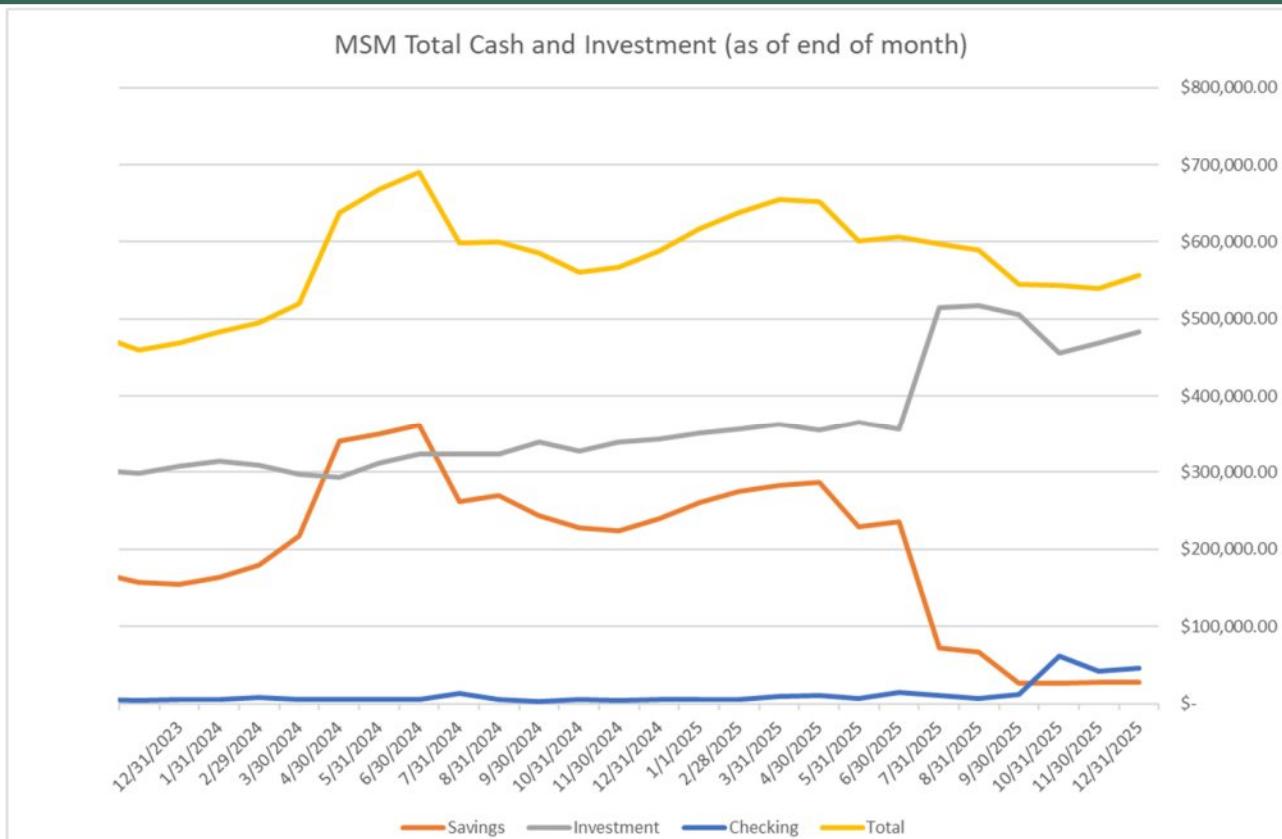
1. Treasurer's financial report presentation
2. General Superintendent's year-end report

MINNESOTA STREETCAR MUSEUM

FINANCIAL REPORT (AS OF 11/30/2025)



TOTAL CASH AND INVESTMENTS (11/30/2025)



INVESTMENT PORTFOLIO PERFORMANCE

Minnesota Streetcar Museum

Return of 11.7%

[Collapse Chart](#)



NOVEMBER 2025 – PORTFOLIO ALLOCATION REASSESSMENT

Portfolio Allocation
from Inception to
November 2025



Alternative Assets	9.97%	55,381
Cash & Equivalents	4.32%	23,975
Equities	56.76%	315,212
Fixed Income	28.95%	160,755

Portfolio Allocation
After
November 2025



Alternative Assets	9.97%	52,061
Cash & Equivalents	1.99%	10,384
Equities	45.01%	234,955
Fixed Income	43.02%	224,577

2025 BUDGET VS. ACTUALS (AS OF 11/30/2025)

Income	Budget	Actual	%	Expenditures	Budget	Actual	%
Contributions	\$28,000	\$24,800	88	Repairs/Maintenance	\$58,850	\$17,638	30
Fares	\$60,500	\$66,000	109	Operations	\$1,050	\$1050	100
Charters	\$6600	\$9,365	142	Special Events	\$5,760	\$3,217	56
Special Events	\$22,200	\$13,045	59	Insurance	\$34,000	\$36,325	(7)
Merchandise	\$23,900	\$22,537	94	Utilities	\$13,800	\$12,802	93
Dues	\$13,000	\$11,460	88	Other	\$40,932	\$35,881	88
Other	\$5,500	\$1205	22	Total	\$154,392	\$106,913	69
Total	\$159,700	\$148,412	93				

Net Revenue (before Cap. Exp.)

\$41,499

2025 CAPITAL IMPROVEMENT PROJECTS (AS OF 11/30/2025)

Project	Budget	Actuals	%
Winona #10 Window Shades	\$4,000	\$0	0
1239 Truck Replacement	\$65,000	\$63,640	98
CHSL Platform and Canopy	\$68,727	\$65,692	96
ESL Tie Replacement	\$25,000	\$23,490	94
CHSL North End Runoff	\$10,000	\$8,495	85
Totals	\$168,727	\$161,317	96