

The Minnesota Streetcar Museum

MINUTES

Board of Directors Meeting
Saturday, September 26, 2009
George Isaacs Car barn – Minneapolis, Minnesota

Board Members Present: Dave French - Director and Board Chair
Aaron Isaacs - Director and Vice Chair
Scott Heiderich - Director and Treasurer
Jim Vaitkunas - Director and Secretary
Bob Johnson - Director
Darel Leipold - Director
Bob Bayers - Director
Chris Heck - Director

Board Members Absent: None

Others Present: John Prestholdt Rod Eaton
Ken Albrecht

Call to order. 9:10 AM

Approval of agenda. Scott Heiderich requested that the agenda item regarding the appointment of the successor to Louis Hoffman be moved to the top of the agenda so Chris Heck, candidate to fill the vacancy, can fully participate in the discussions and any votes taken. This change was approved by consensus as was the remainder of the agenda.

Approval of minutes of the June 20, 2009 Board meeting. Scott Heiderich noted a possible typographical error in the minutes. After brief discussion, the minutes of the Board of Directors meeting held on June 20, 2009 were changed as follows: place a period after the word "perspective" in the last sentence of the second paragraph on page three in the section entitled "Appointment of Board Member to Replace Louis Hoffman." Delete all words after "perspective" in this sentence. The minutes of the June 20, 2009 Board meeting, as modified, were then approved by the Board.

Appointment of Director to Replace Louis Hoffman. Board Chair Dave French announced that he has talked with Chris Heck and Chris has agreed to be a Director and member of the Board of MSM, filling the vacancy created when Louis Hoffman resigned as Director in late March, 2009. In accordance with our by-laws, Chris has agreed to serve and will be eligible for election to this position at MSM's next annual meeting to be held in March, 2010.

Motion: Made by Bob Bayers, 2nd by Aaron Isaacs.

To appoint member Chris Heck as a Museum Director to replace Louis Hoffman who resigned in late March, 2009. Chris will then be nominated (with his consent) to fill the remainder of Mr. Hoffman's three year Director's term at the next annual meeting.

Motion passed unanimously.

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Resignation of Bob Johnson from the Board of Directors. Chair Dave French reported that Bob Johnson will resign from the MSM Board of Directors effective October 1, 2009. Dave then thanked Bob for his service to the Museum, both as Excelsior Streetcar Line Superintendent and as a Museum Director. The other Board members joined in the congratulations and thanks. Discussion then ensued on appointing a replacement for Mr. Johnson. Chair French stated that he will approach several active volunteers to determine if they are willing to serve. The topic of appointment of the Nominating Committee was also briefly discussed.

Treasurer's report.

Treasurer Heiderich distributed copies of the cash balances report and made a brief presentation on the information shown in this report. In preparation for this Board meeting, Heiderich previously sent to all Board members more detailed financial reports as attachments to an e-mail.

Preliminary discussion on development of 2010 budget. Treasurer Heiderich stated that this will be done like it was last year, with Heiderich, Rod Eaton and Russ Olson collaborating on preparing the budget. This will occur in early December, 2009 right after Scott gets back from his vacation. The budget can then be approved by the Board at its next meeting, scheduled for early January, 2010.

Mr. Heiderich reported that he has coordinated with our accountant, Russ Olson to ensure that duplicate or back-up copies of all financial transactions are put in a safe place in the event the original records are destroyed, for example, in a fire or natural disaster. Scott also reported that Russ has agreed to continue as the Museum's accountant so long as he is able to perform his duties.

The Board concurred unanimously with Mr. Heiderich's report.

Confirmation of electronic votes conducted since the last Board meeting (if any). No votes conducted by e-mail were taken since the last board meeting.

General Superintendent's report.

Rod Eaton reports that so far ridership at CHSL is slightly ahead of the previous few years. Of course, the numbers are nowhere near what the Museum enjoyed in the 1980s and early 1990s (40,000 to 50,000 passengers annually) but still and all we're pleased with the rider numbers. The good weather we've been enjoying the last three months have certainly encouraged riders to come out to the parks to enjoy them and ride our streetcars at Lake Harriet.

Rod reported that we have a busy October and November ahead of us and asked that everyone pitch in to make the ghost trolley and holly trolley events a success. However, we all hope that the H1N1 flu scare won't cut substantially into our patronage at these important fund-raising events. Rod further reported that Louis Hoffman's Cub Scout pack has agreed to set up a hot drink concession at the Linden Hills station during several of the nights to raise money for the Pack. In addition, on those nights he has agreed to tend to the warming fire on the platform near the bike rack.

Update on installation of water service into Isaacs carbarn and excavation of dirt from east side of Isaacs carbarn.

Aaron Isaacs gave the Board an update on the project based on a conversation with Keith Anderson who is out of town and could not attend this Board meeting. It's taking a longer than expected because of the requirements placed upon the project by thirteen Minneapolis city departments. Currently, the city is treating the project as a whole, i.e., the installation of the water

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into the Isaacs carbarn to complete the fire suppression system is not being considered separately from the Museum's tentative plans to expand the shop space on the east side of the Isaacs carbarn. Because the city has combined the two phases of the overall building project, the Museum will have to participate in two public hearings and obtain two variances. We will also have to obtain a certificate of appropriateness from the Hennepin County Water Conservation District. While we anticipate that we will be able to do what we plan to do, this bureaucratic system has taken much time and will take more time before we can proceed with installing the fire suppression water supply and sewer line. Aaron predicted that it'll probably be 2010 before the water and sewer is hooked-up and the fire suppression system completed.

Bob Johnson commented that the combining of the fire suppression system with the building expansion doesn't sound right. The fire suppression system contractor had previously coordinated with the city to obtain the required permits to install the system pipes in the carbarn and the city was fully aware of what we intended to do then. Bob feels that it might help to speed the process up if we contacted the suppression system contractor to see what they say about all this. Aaron Isaacs stated he would follow-up with Keith on this suggestion.

Update on Move of Glenwood Park Shelter.

Aaron Isaacs gave the Board an update on where we are in the move of the old TCRT streetcar shelter from Glenwood Park in Minneapolis to the north end of the Como-Harriet Streetcar Line. He has tried to communicate with the Park Board's person in charge of this project but e-mails sent to the person go unanswered. Aaron stated he will continue to contact the Park Board staff person by phone to see where they are. Aaron estimates that it would cost the Museum around \$5,000 to have the project completed if the park Board failed to help out financially.

Placing of Bids/Offers on Streetcar Equipment and parts up for Auction by the Lake Shore Electric Railway, located in Cleveland, Ohio.

Jim Vaitkunas gave the Board a lengthy report on the status of the equipment and streetcar parts auction being conducted by the Lake Shore Electric Railway. Mr. William (Bill) Wall, President of the Shore Line Trolley Museum in East Haven, Connecticut has put together a consortium of fourteen (14) electric railway museums that have agreed to pay for and remove from the warehouse all the items of rolling stock and parts offered by LSE Rwy. Mr. Wall reported that his negotiations with the museums seems to meet the goals of the LSE Rwy. Vaitkunas commented that the consortium appears to be the only way that we will be able to obtain the Dupont single truck that we want. Mr. Wall reported that there are several other Museums who are willing to pay for this truck in an open bidding process direct with the Lake Shore Electric Railway and their bids are above what MSM is proposing.

Vaitkunas further reported on the two lengthy conversations he has had with Bill Wall in the last few days. The gist of the conversations is that if the museum consortium proposal is accepted by the Lake Shore Electric Railway, MSM will get the Dupont truck for \$4,000 which will include the ability to obtain other streetcar parts in the LSE Rwy inventory in a special parts claiming event to be held in mid-November, 2009.

After discussion on Vaitkunas' report and on the amount of money we should bid/offer for the various items we want, the following motion was made.

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Motion: Made by Aaron Isaacs, 2nd by Scott Heiderich.

That the Minnesota Streetcar Museum, Inc., (MSM) tender a bid to the Lake Shore Electric Railway (LSE Rwy) (an Ohio not for profit Corporation) for Lot #54 in the streetcar equipment and parts auction they are currently conducting. Lot #54 consists of one Dupont No. 35 truck, with motors and other accoutrements, that is currently in their possession. At the same time, the Minnesota Streetcar Museum will also tender an offer/commitment to Mr. William Wall, President of the Shore Line Streetcar Museum located in East Haven, Connecticut for the No. 35 truck in the event that the consortium of railway museums organized and coordinated by Mr. Wall is successful in a group purchase of most or all of the assets of the Lake Shore Electric Railway. The amount of the bid/offer to the Lake Shore Electric Railway is \$12,551.00. The amount of the offer/commitment to Mr. Wall for the Dupont No. 35 truck is \$4,000.

Motion passed unanimously.

Vaitkunas further commented that he feels he needs to be officially appointed by the Board to act on behalf of the Museum both in dealing with the principals of the Lake Shore Electric Railway and their accounting firm, and with Mr. Bill Wall. This is for both legal reasons and personal liability reasons. While recognizing that our Directors and Officers insurance will probably cover an award that may result from a law suit against him, Vaitkunas felt that having a motion appointing him the legal representative of the Museum in this matter would make him more comfortable. After further discussion the following motion was made.

Motion: Made by Aaron Isaacs, 2nd by Scott Heiderich.

Museum Corporate Secretary James A. Vaitkunas is hereby directed and authorized to act on behalf of the Minnesota Streetcar Museum (MSM) in all negotiations with the Lake Shore Electric Railway (LSE Rwy) (an Ohio not for profit Corporation) and its representatives. Mr. Vaitkunas is also authorized to sign all documents associated with the bid/offer submittal process as required by the LSE Rwy. Mr. Vaitkunas is also authorized to negotiate and coordinate on behalf of MSM with Mr. William Wall, President of the Shore Line Trolley Museum and is authorized to sign all documents associated with the offer/commitment to purchase the Dupont Truck in the consortium organized and coordinated by Mr. Wall. In all instances during the negotiations and dealings with the LSE Rwy and with Mr. Wall, Mr. Vaitkunas is personally held harmless from any and all legal or financial liabilities or obligations that have in the past, are now, or will in the future, be associated with the negotiations and transactions to bid on and/or purchase the Dupont truck in question from either the LSE Rwy or from Mr. Wall.

Motion passed unanimously.

Director Scott Heiderich raised the issue of whether we should also bid on the two Vera Cruz open cars that are a part of this auction. Vaitkunas opined that it was a waste of time to do so. That what we are willing to pay is well below what he understands (has heard) other museums are willing to pay for the two open cars. Heiderich countered that while that might be true it certainly wouldn't hurt to offer a bid to the LSE Rwy group on the outside chance that something might happen with those other museums and we end up having the highest bid/offer. After some discussion on this issue and how much we should offer for the two open cars, the following motion was made.

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Motion: Made by Scott Heiderich, 2nd by Jim Vaitkunas.

That the Minnesota Streetcar Museum, Inc., (MSM) tender a bid/offer to the Lake Shore Electric Railway (LSE Rwy) (an Ohio not for profit Corporation) for Lot #1 and Lot #2 in the streetcar equipment and parts auction they are currently conducting. Lot #1 consists of one Vera Cruz open car, number 9. Lot #2 consists of one Vera Cruz open car, number 19. The amount of the offer to the Lake Shore Electric Railway for each car separately will be \$10,150.00.

Motion passed on a vote of seven Ayes and one Nay.

Vaitkunas reported on the timelines for this whole activity. We will know by Friday, October 2, 2009 whether the proposal by the consortium of railway museums was accepted by the LSE Rwy. If it is accepted then we would have to tender the \$4,000 (in certified funds) to Mr. Wall within five working days after we are officially notified of the acceptance. The items that we obtained would have to be removed from the warehouse in Cleveland no later than December 15th. The "shopping spree" to select the parts we may want from the collection of parts in the warehouse on the Lake Erie waterfront would occur during the weekend of November 14 & 15, 2009.

Minnesota State Legacy Grants.

Aaron Isaacs reported to the Board on these new grants that will be administered by the Minnesota Historical Society and approved by the State Legislature. The annual grants will amount to around \$32 million and will awarded on different levels depending on the costs of the projects. Our Museum can easily qualify for these grants. Mr. Isaacs agreed to prepare the grant applications and submit them to the MHS. After further discussion, the Board unanimously concurred in Mr. Isaacs proposal to submit the grant paperwork for the following projects at a minimum.

- Rebuild/replace the street crossing at West 42nd Street
- Replace/rebuild the platform at the Linden Hills station
- Archive digital photos projects
- Repair/restore the roof on Winona No. 10.

Using the term "Fire Suppression System" versus "Water Service."

Bob Johnson commented that we should stop using the term "water service" when we talk with anyone about installing the water into the Isaacs carbarn. We should use the term "fire suppression system" with "water service" being used only in conjunction with the water into the sink and lavatory area. Doing this might generate a different reaction by the city bureaucracy when we use it.

Appointment of Nominating Committee and Selection of Date and Location for the next MSM Annual Meeting.

After discussion on the annual election of directors and the annual meeting, the Board agreed to tentatively set the date for the annual meeting of the Museum on or about March 12, 2010 at a location to be determined. Chair French stated he'd coordinate the location but is open to any suggestions from the Directors.

Secretary Vaitkunas then asked Dave French and Aaron Isaacs if they are willing to serve as Directors for another three-year term, as their terms expire in March of 2010. Both Mr. French and Mr. Isaacs answered in the affirmative. Therefore, as of the date of this Board meeting (September 26, 2009), three qualified members have agreed to be nominated: Dave French; Aaron Isaacs; and, Chris Heck. The fourth Director will hopefully be appointed to the Board prior to the annual meeting in March, 2010.

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Determine date of Next meeting: The next Board meeting will be held on Saturday, January 9, 2010 starting at 9:00 AM. Location will be the Linden Hills Park recreation building.

Adjourned. 11:00 AM.

James A. Vaitkunas

James A. Vaitkunas
Corporate Secretary