

Mid-Continent Railway Historical Society, Inc.  
MINUTES of Annual Members meeting, November 1, 2003  
[approved, April 3, 2004]

Meeting was called to order in the North Freedom depot waiting room by president Bloohm at 3:05pm. Roll call was taken. 32 voting members were present, 3 non-voting members were present, a total of 39 persons were in attendance. It was determined that there was a quorum in accordance with the By-Laws.

President Bloohm read minutes from the April members meeting. Motion by Don Ginter, second by Eliot Keller to approve the minutes as amended. Passed unanimously. Amendment was: change word "revenues" to "visitors" in second sentence in first paragraph.

President Bloohm introduced the officers and superintendents to those present at the meeting.

Treasurer Steve Brist reported on financial situation. Balance sheet is in better condition this year than last year at this time. Ridership was up slightly from last year, a total of 30,222 visitors. A strong showing in the month of October, ridership that month was up 17% compared with last year. The new Pumpkin Special weekend attracted nearly 1,700 riders. One of the big positives is the greatly improved short-term borrowing. Last year at this time, current liabilities were \$147,000, this year we are down to \$38,500. On a cash basis, income over expenses, we made \$20,000. We achieved this without a fulltime manager, and this was due to the many hours that Jeff Bloohm spent in the office. We have held down expenses significantly, and are current with our vendors. Total assets are \$1.2 million. It has been a closely managed year with much penny-pinching. One major expense we did not have this year was \$20,000 spent on an outside fund raising consultant. Until we get steam back running, we are going to see attendance in the range that we are now.

President Bloohm introduced consultant Don Meyer. Don has been hired to advise on financials in the office, counsel the president, and work on fund raising. Don spoke about publicity/media efforts late in the season, beginning with the Copper Range open house. On fund raising, he has gone back to prior donors to build relationships with them, talk to superintendents to identify projects that money can be raised for, and develop a strategy of how to proceed. Several grant applications have been sent out. Matthews Foundation donated a \$10,000 grant for car work. A small grant was received from the Sauk County Arts & Humanities committee for an expanded *Gazette* on iron mining history. We have received a \$25,000 pledge toward researching/evaluating the GN A-22 coach for restoration, and a \$12,500 donation toward boiler welding on the WC&C #1 boiler. We have tried to maintain a good relationship with our donors, and they have showed their support. We can take this success out to new donors as testimony and show what we can do. In conjunction with the development committee, guidelines for establishing an endowment program were approved by the board of directors. Don has spent time in the office, taking pressure off Jeff and Nancy. Accounting system has been streamlined. Our contractual responsibilities with area communities and vendors has been reviewed. Don also discussed the liability insurance situation, reviewing our coverage. The cost of liability insurance alone will increase \$5,000 per year. Property coverage has been adjusted to reduce those premiums, the net result is that next year's costs will increase \$900. A question was asked by a member if we could self-insure, president Bloohm responded that we could, but it would jeopardize the collection. Mid-Continent was given two awards this fall, the 2003 Organization award from the Wisconsin Trust, and restoration award from the Wisconsin Historical Society for the Copper Range #60. Don is pleased and glad to be back and involved with Mid-Continent. He gives us a pat on the back for the accomplishments we have made in forty years. Fred Biederman asked what the per ticket cost was on insurance. Don responded that our total annual insurance cost is about \$52,000.

Don Ginter spoke about the three openhouses/celebrations/dedications that took place this summer. They took a big effort to prepare for, and were a step above what we were doing before. Dignitaries had the chance to see our property, ride the train, and make new contacts. Don attended the WHS event in Chippewa Falls to receive the award for the Copper Range #60. Don reported that the Jan/Feb issue of *Wisconsin Trails* will run a major feature article on the Lake Shore restoration. Representatives will give tours of the Lake Shore coach during Snow Train.

President Bloohm talked about summer operations. Our diesel locomotive burned 35 gallons of fuel per day during the summer. Superintendent of Operations John Sorrel said he needed help for the Santa Express. We had 420 people on a single train for the United Church of God charter trip on October 17.

Pete Deets talked about the shop and steam program's status. He would not estimate a date on when steam will return. We found out how slowly things progress when FRA is involved, there was two months delay from when boiler course patch was ready to be welded until inspection took place. Now we are waiting on Becker Boiler to bring in a crew to do the welding on the first patch. Unfortunately this is the busiest time of year for them. Running gear repairs are in progress, much welding and grinding down is needed. Rick Peters talked about work on the driving boxes. Two new ones are being made by Dave Wantz. The original boxes are cast iron. That contributes to their breaking problems; the new ones will be made of steel. Bill Raia will work on tender trucks and brake rigging. The bottom two feet of the tender tank are pretty poor shape. Mike Wahl talked briefly about 1385. He is working on details on how to get the job done in state, getting quotes on getting a new tender made like the original. Pete Deets says they can use any help.

Roadmaster Dave Bierman talked about Engineering Department. Work continues on maintaining track as per 7-year plan. 445 crossties were installed, mostly between Ulrich Road and South Bessemer, and some drainage corrections made in the same area. The freight house pass switch was retimbered. Baraboo River bridge east approach was worked on last fall. 1,400 track feet of surfacing was done this year, most notably in front of the depot platform where equipment had been rubbing on the platform timbers. Seeley Creek bridge will be worked on after freeze-up. We had a substantial savings on ballast, member Jim Busse has been trucking ballast from the Rock Springs quarry on his own time. Al Joyce asked about the rail laying along the track by County W. Dave Bierman replied that other areas will be addressed first where there still is original 60 lb rail that must be replaced. There is no 60 lb repair rail left.

Tric-Stankmuth talked about dinner trains. We ran more this year than we have in many years. Mothers Day run and Pumpkin Special were new. Windows in 440 have been made to open to get more air inside due to no air conditioning. We can use more help for special events.

President Bloohm introduced Bill Parker. Bill has been involved in negotiating the Saginaw #2 lawsuit. A lot of progress has been made, meeting with Skip in August, and an agreement has been reached this morning with Skip and president Bloohm, which will be voted on the next board meeting. Bill is involved with an operating steam locomotive railway in England. We have come to an arrangement whereby Skip will physically undertake the overhaul of #2. Once the locomotive has been restored, it will be leased to Mid-Continent for 15 years. Restoration work will not compete with WC&C #1. Bill stated that we need three operating steam locomotives to maintain a steam operation. Don Meyer talked again about raising money for the steam engines. Efforts will concentrate on raising funds for the general Steam Fund rather than for particular pieces of equipment, so that the money is available for any of the projects. Montreal would have priority. Jeff stated that the new lease might be a basis for future private engine leases. There will be a trust fund set up for each locomotive that will receive a fee for each day the engine is used. The fund will then be used for major repairs. Bill received applause after his presentation.

Jeff commented briefly about increasing mortgage to raise operating cash. Although there was one bank that would have done it, he felt it was not prudent to do so, because if we would have had a bad year, we might have had to sell assets. Jeff gives credit to the department heads and superintendents for holding down expenses in 2003, reducing line of credit down from \$118,000 to \$38,000, and paying off the gift shop inventory bill on credit card. Train fare next year will be raised \$1 per person. We need to continue beefing up marketing/advertising. We will redesign the billboards to emphasize the train ride, which is the main reason that people come to the museum. With 30,000 riders, we can barely survive. Pumpkin Special was a surprising success. Bringing back steam might improve ridership by 20%.

Floor was turned over to Art Oseland, chairman of the nominating committee. Art read the board election results. 129 ballots were returned. 119 were verified. 10 were voided due to no address on envelope. Paul Swanson received 112 votes, Mike Smul 98, 20 were not marked, there were eight candidates that received write-in votes. Steve Brist moved, Eliot Keller seconded to accept the results of the election and chairman Oseland to destroy the ballots. Passed.

Steve Brist moved, Dave Schumacher seconded to adjourn. Passed. Meeting adjourned at 5:10pm.

Submitted by Paul Swanson, Interim Secretary.