

July 2012

The Station Lamp

Executive Director's Report

By Greg Mathews

Blow the horn and ring the bell.....

At the time of this writing we have completed the Day Out With Thomas event for this year, that was the first two weekends in June. We expected crowds as large as last year and we were very close to that expectation, which was very good considering that most of the Thomas events at other Museums and tourist railroads are down from 15% to 20% in terms of both visitors and income this year. Thomas continues as a major income event for the Museum and with volunteer help it will continue to be a success, as it has in the past. The major problem with the event this year was a lack of sufficient volunteers to do all of the activities and cover the various offerings for visitors. Not enough volunteers meant that we had to spend more dollars to hire and pay for part time help, which reduces our overall income.

The very mild winter and the warm, wet spring has been a relief from previous years and the tornados, flooding, and hail that hit many neighboring communities this spring gave the Museum a break and spared us that same damage. The non existent winter has brought KRM another benefit in that there is little to no demand for coal and the hopper cars that carry it, so KRM is seeing empty hoppers coming in for storage and staying on the property which is providing some much needed revenue. This trend should continue for at least several more months.

Another issue has cropped up with the mild weather and wet spring. Vegetation has gone wild, growing by leaps and bounds along our tracks. We need volunteers to contact the Museum so we can plan a work train or two to go out with pole and chain saws to attack the growth that is now starting to brush against the train in various locations.

Engine, car and equipment servicing and repairs have been major activities of the past couple of months as we have been preparing for the regular season of train excursions and special events after Memorial Day. Under repair currently are the Monon BL2 and the two former Air Force Whitcomb switchers. We expect the BL2 will be back in service after May 19, but it will require some additional work on the draft gear and other items during the coming winter. Coaches are receiving maintenance work, cleaning and servicing for the season and plans are being formalized by the Museum's Assets Committee to prioritize work and the preservation of several pieces of equipment including the L&N Combine #1603, the L&N "Big Woody" caboose, *Mt. Broderick*, and others. It is hoped that a grant that has been applied for from State and Federal Government (Tiger IV) will provide funds for these and other plans, including a shop facility for repair work, restoration and preservation, and also serve as a facility for training individuals to do repair and maintenance work on all types of railroad equipment.



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We held a new event on April 28th and 29th, a 1940's Weekend, with period cars and military vehicles, the Lady Liberty singers, swing dancers and more. Though crowds were small, it was a great event and holds much promise for a bigger and better event next year. Potential new events and activities being considered going forward include a car show, Dora the Explorer comes on September 22, Spiderman may visit in the fall, and other offerings and events planned in conjunction with other local and regional celebrations. There are three cowboy train robberies and three Civil War train robberies this year and then large Christmas and Holiday train excursions with Santa, Mrs. Claus, Rudolph and the elves. Last year we set a record with 6,300 Christmas train riders. Given enough volunteer help we can surpass that number this season.

KRM's finances are still a critical area as we are still waiting on thousands of dollars in reimbursements from FEMA with no time frame from the agency as to when the funds will be forthcoming. The Model Train Center building that was damaged in the 2010 flood will have to be torn down when FEMA funding is provided. The building had to be stabilized to allow the use of some of the it, particularly the restrooms, and KRM had to pay the contractors for that work upon completion.

The string of wind damage, hailstorms, tornados, and floods of the past 10 years, coupled with the loss of some expected funds from the state for track work performed several years ago, as well as badly needed equipment repairs and upgrades, has left KRM in a tight financial position and has forced some decisions needed to provide cash flow and keep the Museum viable. The struggle continues, but the Museum has an annual budget and is operating within the limits of that budget. We are open and seeing a good stream of visitors and riders, and with some luck, hard work, the support of our strong and dedicated regular cadre of volunteers, and with persistence and development of additional income streams, we will come out of this current financial situation in better shape.

There have been discussions on the internet regarding the health and future of the Kentucky Railway Museum and it's collection. These discussions are often full of rumors and wild speculation, and they are written by persons who are not currently involved in museum operations as either an officer or volunteer. They are not knowledgeable of the circumstances and solutions being pursued, and are doing themselves and the Museum a disservice. If you have questions or concerns and desire to have accurate information we are but a phone call or email away.

We received a Shortline Railroad Assistance Grant from the state of Kentucky and have used this money to perform track and crossing repairs along with tie and switch replacement. The continuation of the 2008 TEA project (turntable installation) is still in a holding pattern as state and federal funds and decisions are delayed. Other government grants are being pursued while the opportunity still exists for funds from those sources, but nothing is finalized as yet on a 2009 TEA grant that would cover bridge repair and additional track work. We are awaiting a decision sometime in the coming months on the Tiger IV Stimulus grant application that could cover a potential new shop and repairs to equipment.

L&N #152 is now out of service for its mandatory Federal Railroad Administration required 15 year and hours of service examination and repairs. This is a mandatory requirement for all steam locomotives that have a public crossing or connect to the national rail network. Despite some rumors on the internet, railroad blogs, and chat rooms, #152 is not broken, it is not being retired, it has not been abused or mal treated and it is not for sale. It has been examined and assessed by one steam restoration specialist who has submitted a preliminary plan for repair/restoration work, and a second specialist will also be examining and assessing the engine and making recommendations. When the assessments are completed and specifics known about what will need to be done to the steam engine to be in compliance with the FRA requirements, plans for fundraising and putting the engine back in service will commence. 152 remains the "Official Locomotive of the Commonwealth", a primary attraction and a uniquely preserved and restored engine.

Do you have a favorite photo or story you'd like to share with the membership? Please send them to:

Rob Minton
523 Clutter Rd.

Observations

by Charles Buccola

Money and Equipment

At the time of this writing, the Museum is in the height of its visitation and excursion season. Thomas the Tank Engine, Mystery Trains and Train Robberies will have been in full swing. These operations are key components of the Museum's revenue stream as well as attracting visitors to the Museum. Another component of the revenue generation this year has been the storage of hopper cars for car leasing companies.

Among other issues, the Board continues to focus on paying off the equipment loan and mortgage. KRM is making a scheduled loan payment in June of \$39,000 followed by another payment of \$20,000 in August. The debt extends back over the past decade for purchases of various equipment. Payments had been made to reduce the principal at times in the past years but then the credit line was borrowed against anew. No more funds have been borrowed and will not be. The plan being followed is to pay off the loans on the schedule established with the bank. A summary of the Balance Sheet for the first four months of the year follows this column.

At the beginning of 2012, KRM sold eleven pieces of equipment, primarily to raise cash. The items were sold to Hub City Metals of Hagerstown, MD. Four locomotives were sold: US Army Fairbanks-Morse #1846, the US Army S-1 and the two Department of Defense GE 45 tonners. Cars sold include two ex-C&O Maintenance of Way coaches, two kitchen/commissary cars and three heavy duty DoD flat cars. Initially there was talk that several of the locomotives would be resold but all ended up being parted out or scrapped. After the sale the Museum still has over ninety pieces of equipment on the property.

The *Cape Tormentine* was sold in May. This was a 1954-vintage Canadian National sleeper-lounge car which was sold to a Canadian so it will be going home. This car was in Florida and had never been at KRM. It was in essence an extra in the car swap that brought former Southern coach #845 to KRM several years ago.

A Capital Development Committee has been formed by the Board of Directors. While seeking funds for a number of restoration and operation projects, a primary focus is to obtain funding for the engineering evaluations of and first stages of the rebuild of L&N 4-6-2 #152 in compliance with FRA rules. You can expect to hear more about this coming months.

As always, we look forward to seeing you at the Museum whether it be to volunteer or to enjoy the day with family and friends on the train.

Work on Rolling Stock

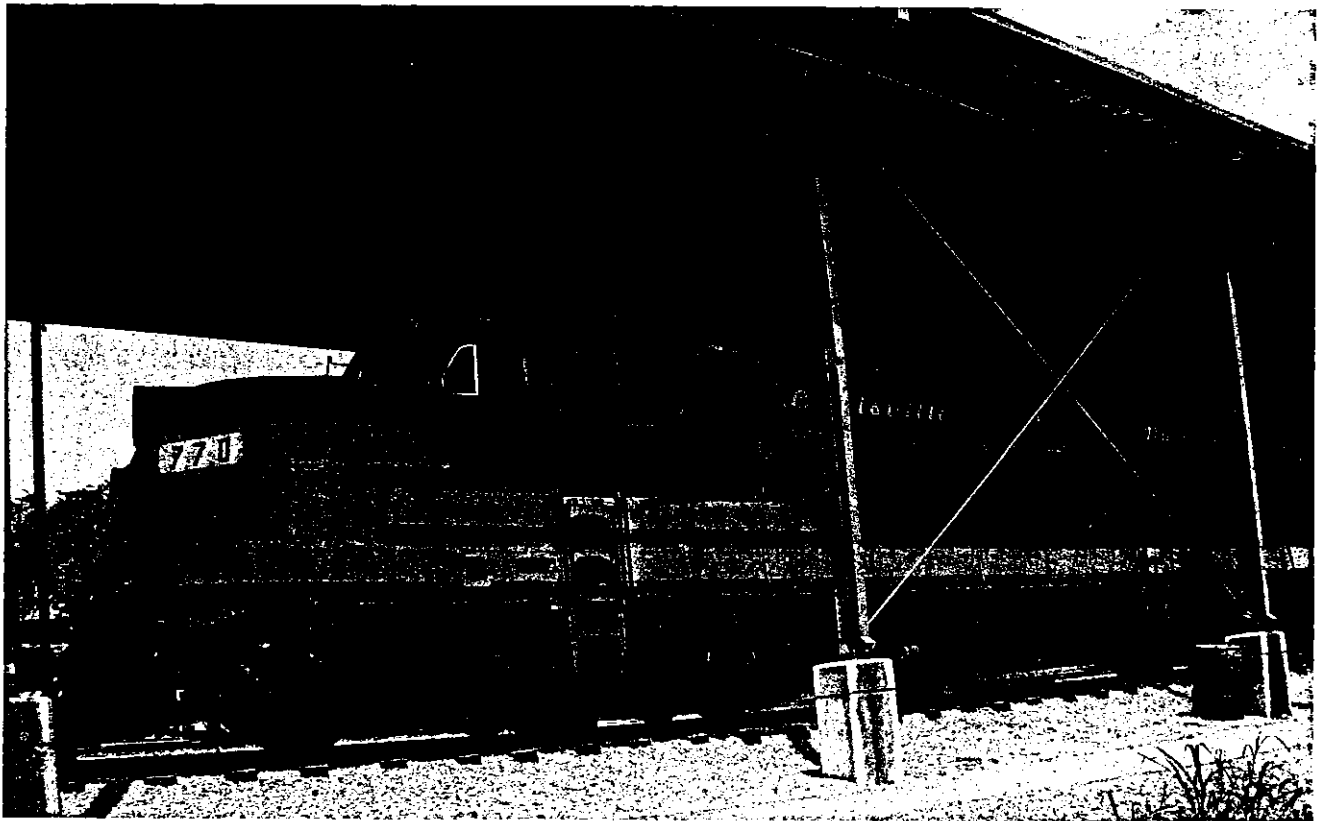
A queue of equipment to be worked on in the second half of 2012 has been developed. The scheduling, subject to change, takes into account staying within budget while completing tasks that will stabilize equipment for future work or be part of on-going maintenance.

The list includes closing up or repairing windows on the IC and Monon cabooses. On the subject of cabooses, work may resume on Southern caboose X225 in the Fall as funding may allow. The roofs on a number of cars are being checked and any potential leaks dealt with. Several of these car roofs are anticipated to be painted: C&O 1616 (power car/coach), Southern *Tennessean* 845 (coach) and possibly L&N 1603 (combine). Window sashes that had been fabricated for the 1603 will be painted and installed.

Additional volunteers would be most welcome to perform this and other work at the Museum. One of the regular shop crew volunteers, Daryl Pullen, has moved to Idaho and will be missed.

L&N 770 70th Anniversary

L&N E-6 #770 reached a milestone on the weekend of May 18th. Seventy years prior to that date – May 18 and 19, 1942 – the locomotive, then numbered 450B, made it's inaugural runs with its sister locomotive 450A from Louisville to Nashville and back. The Museum had a cake to celebrate the occasion. Although she didn't look as sharp on the anniversary as she did seventy years ago, at least 770 is still can be seen at the Kentucky Railway Museum. Coincidentally, there will be a photo of 770 in service on the *Crescent* in 1961 in the forthcoming June issue of the L&N Magazine. She looked much the same in 1961 as now.



Charles Buccola photo

Wish list – container

KRM could put an intermodal type container to good use for storing materials. Any length – 20 ft., 40 ft or 48 ft. – would be great. If you know of a company that would be willing to donate a container to the Museum, please provide contact information. An operable door would be necessary of course.

Do you sell on eBay?

If you sell items on eBay you can donate a percentage of your sale to KRM under their "eBay Giving Works" program. When you make a donation, your final seller's fee will be reduced. If you wish to donate a percentage, you will find the "eBay Giving Works" option under the *Choose How You Like to Sell Your Item* section in the middle of the page. KRM appreciates all donations large and small!

Summary financial information

Kentucky Railway Museum, Inc.
Balance Sheet
April 30, 2012Assets

Current Assets

Cash – Operating & Petty	\$ 8,406
Cash – Restricted & Savings	\$62,594
Returned Checks	\$ 45
Prepaid Expense	\$11,779
Inventory	<u>\$25,408</u>
Total Current Assets	\$108,232

Property, Plant & Equipment

Property, Plant & Equipment	\$746,756
Museum Building	\$255,687
Accumulated Depreciation	(\$81,468)
Total Property, Plant & Equipment	\$920,975

Total Assets

\$1,029,206

Liabilities

Notes Payable – T&C Bank	\$640,845
L/P Nelson Cnty Fiscal Crt	\$ 25,000
Accounts Payable	\$ 52,547
Withholding; Fed, State, Local	\$ 3,605
Sales Tax Payable	\$ 201
Retirement Withholding	\$ 1,618
Deferred Revenue	<u>\$ 15,123</u>

Total Current Liabilities

\$1,029,206

SCHOOL FIELD TRIPS SUPPORT KRM'S MISSION

By Karl Lusk, KRM Treasurer

While many people think that KRM's mission is only restoration of historic railroad equipment used by railroads in Kentucky, interpretation and education of the public using that equipment is foremost. As a non-profit, 501C3 organization, education is a primary mission, by both the Federal IRS code and state statute.

KRM has had a school field trip educational program dating back to its tenure at Ormsby Station. Tish Knoeller and her mother were among those who began the program. When KRM was able to plan and operate mainline excursions, deadhead moves were filled with school students along the route. When KRM moved to New Haven, school field trips were a planned major part of the museum's offering to the public. In the mid-90's a core team of three volunteers, Jay Bryant (Frank's Dad), Joe Young, and Jay Newman, along with then executive director Karl Lusk and several other dedicated volunteers staffed school field trips that often brought 300+ students, teachers, and adult chaperones to the museum on any given day.

A script that told the history of the Lebanon Branch of the Louisville and Nashville Railroad, the rolling stock and locomotives in use, and other pertinent information re: KY's railroads was broadcast throughout the train during the trip from New Haven to Boston and return. Jay Newman's script was re-written by Frank Bryant to include the Civil War history of the Lebanon Branch as well.

Docents escorted school groups through the museum exhibit area and often the "red barn" on guided tours. Activity sheets and advance information that could be used to teach students about KY's rail heritage were mailed to school in advance of their visit. All this was done in compliance with the KY Educational Reform Act. Railroad safety was emphasized through the Operation Lifesaver program materials.

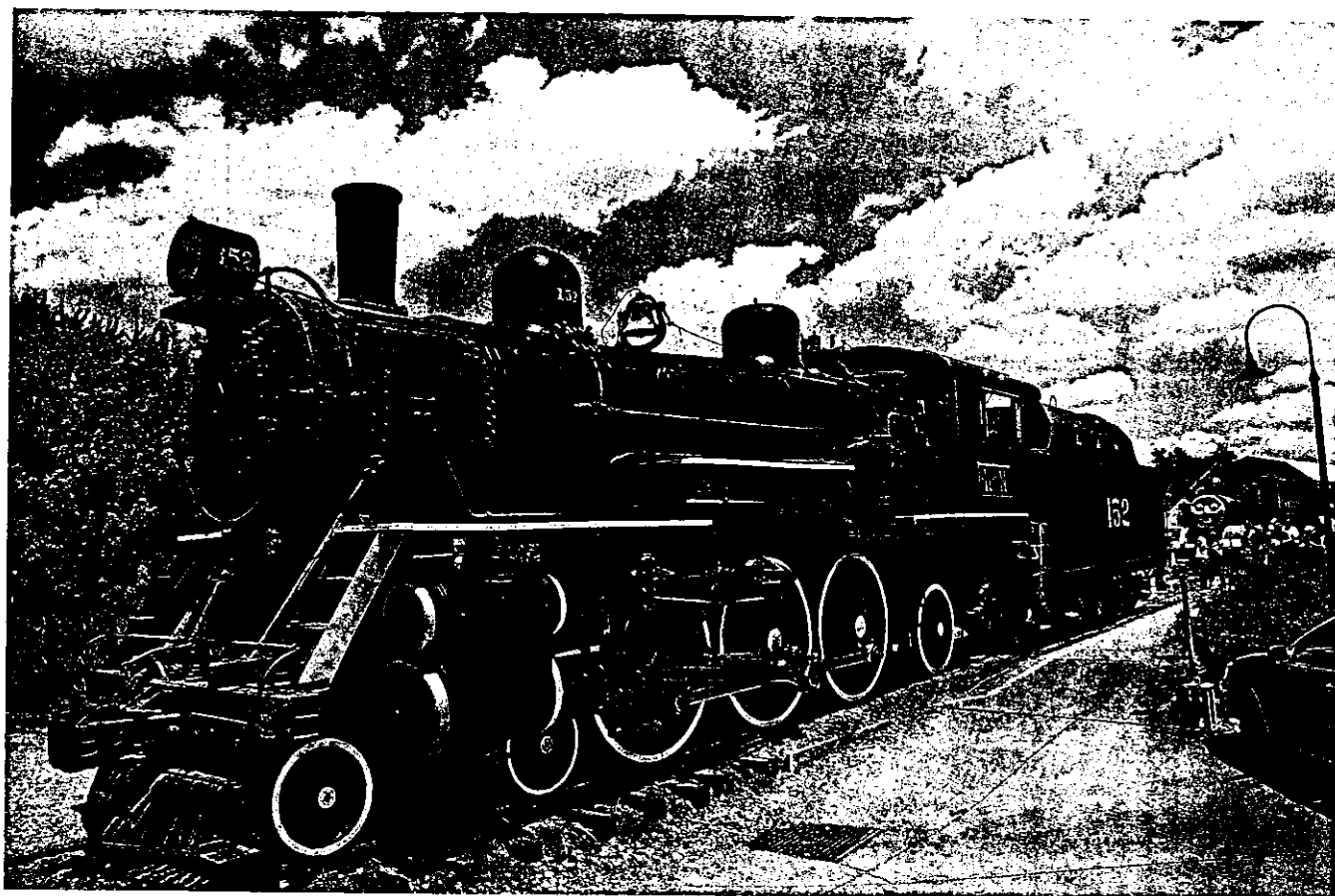
Today, the important work of providing an educational experience, not merely a train ride, continues. Anne Lusk, a former employee of the North Carolina Transportation History Museum and retired teacher, is the school field trip coordinator. She relies on a small but dedicated cadre of volunteers to provide docent services to these groups.

Unfortunately, many schools have curtailed off-site field trips, particularly with the increased costs of diesel fuel, so the available market has diminished. However, the need still exists for volunteers willing to further the educational mission of the museum. A call to the museum office can give folks an opportunity not to be missed-seeing the effect the trip and information have on our youth and children.

The KRM Board of Directors and management continue to emphasize continuation of the school field trip program, and with the assistance of readers who feel moved to further this important facet of the mission of KRM, it can continue. Please give this important facet of the museum some thought and, if so moved, call KRM at once to volunteer. Please strongly encourage your local school officials to schedule field trips with KRM. Your museum needs you.

In Memoriam

Greg Hogan, a long time member of KRM who worked in the Model Train Center , passed away in January. He was 57 years old and a welder for Vogt Ice (Henry Vogt Machine Co.) for 39 years. He enjoyed collecting model trains and cars, and was a member of Divison 8 Model Railroad Club, the National Model Railroad Association and the National Rifle Association. His survivors include a son, Brian Hogan; a daughter, Carissa Hogan; and his brother, Glen Hogan.



L&N 152 poses with Thomas the Tank Engine
Photo by Charles Buccola

KENTUCKY RAILWAY MUSEUM
PO BOX 240
136 SOUTH MAIN STREET
NEW HAVEN, KY 40051

Non-Profit Org.
U.S. Postage Paid
New Haven, KY
Permit No. 7

DAVID M. WILKINS
[REDACTED]
ST. LOUIS, MO. [REDACTED]

The Official Railway Museum of the Commonwealth of Kentucky

KENTUCKY RAILWAY MUSEUM
PO BOX 240, 136 SOUTH MAIN STREET, NEW HAVEN, KY 40051
APPLICATION FOR MEMBERSHIP

_____ SINGLE \$45/YEAR _____ FAMILY \$60/YR

_____ SUSTAINING \$125/YR _____ LIFE \$500

_____ YOUTH \$20/YR

Name _____

Address _____ City _____ State _____ Zip _____

Home Phone() _____ - _____ Work Phone() _____ - _____

I am interested in volunteering at the KRM _____