

VOL 58 NOS. 1-4 2020 ISSN: 1083-1606

WE HAVE MADE THE DECISION TO SUSPEND ALL PUBLIC RIDES EFFECTIVE MARCH 14 WITH AN ANTICIPATED REOPEN DATE OF MARCH 21

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## 2020, Certainly Not The Year We Planned

To our members, annual pass holders, supporters and friends -

It's hard to write a newsletter that spans from the end of the fourth quarter of 2019 (by most measurements a good year) through four quarters of 2020 that doesn't make the Coronavirus Pandemic the central story line. Yet, even while dealing with the unprecedented situation, TVRM has continued to make progress on many fronts and there is a very positive story to tell.

2019 closed with the second-best visitation in TVRM's history at 132,011, only 565 visitors behind the best year of 2018. Revenue from operations at \$8,887,032 would be at record levels. Why wouldn't we have expected 2020 to be even better? TVRM has since been navigating the difficult waters and preparing itself for the "new normal," whatever that may be.

As 2020 dawned, we scaled back our operating tempo to our usual Saturday only trains in January and turned to wintertime shop work while preparing to begin operating steam on the weekend of March 14th. But the storm clouds were already gathering. In early February, news stories were already circulating around the country but they seemed to be centered on other states still some distance from Chattanooga. After attending a Hamilton County managers briefing, TVRM President Tim Andrews met with TVRM employees to make sure that they were aware of the rapidly developing situation. Our employees were urged not to come to work if ill and that TVRM could expect that the operating situation would change rapidly. Two days later, Friday March 13, TVRM and most attractions in Chattanooga closed to the public. Early the following week all full time office staff were directed to work from home. In recognition that TVRM's passenger revenue was cut to zero,

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#### continued from page 1

all full time employees saw their hours and pay cut to 80% of normal. Only the freight business continued without reductions until VW abruptly ceased shipments on March 20th. Plans were made rapidly to match expenses with our available financial resources and anticipated remaining income.

When TVRM closed its doors to protect our staff and visitors, it was thought that this shutdown would be for only a few weeks, maybe only to the end of March, but the fear was that it would be longer. Within those two weeks, it rapidly became obvious that the shutdown would be longer and the reopening date was postponed several times. The question remained, when this was over would anyone even want to ride a train?

TVRM quickly took proactive measures at the end of March to furlough many of the full time staff along with virtually all of the part time and seasonal staff. Only those essential shop workers who were able to work on contract work or projects funded by generous donors, the freight crews at Tyner and the track department working on state funded track projects, continued to work. Scheduled events like Day Out With Thomas were rescheduled

to later dates and the commencement of the Hiwassee and Georgia trains were postponed to Memorial Day. Certainly things would return to normal by then. But what if they didn't?

#### **SBA Loans**

As soon as Tennessee was declared an economic disaster area due to the coronavirus, TVRM set out to apply for an Economic Injury Disaster Loan from the Small Business Administration. In spite of quickly completing the necessary application, the overloaded SBA system froze up and TVRM's application was never accepted. In the meantime, Congress passed the over \$2 Trillion CARES act including aid to eligible small businesses. Included in the Act was the Paycheck Protection Program (PPP), a loan program designed to protect payrolls for an eight week period with the possibility of it being forgiven if certain criteria were met. Working quickly with our bank, TVRM completed the application and in spite of technical difficulties, experienced by many applicants, was promptly granted a loan of \$628,000 before the funds ran out.



Once funded, TVRM was able to look further out into the future and determine how best to stretch the funding to support our payroll needs. At that point it was still unknown when TVRM might be allowed to reopen to the public.

### **Continuing Work**

Under the State of Tennessee emergency orders the protection and maintenance of a company's assets were permitted to continue. This allowed for work to proceed in the shop on two projects that were funded from outside sources. Work on privately owned Dome Car 1877 continued while a generous benefactor made work on Office Car 21 possible. In addition, the state funded track construction at TVRM and Tyner could also continue. In





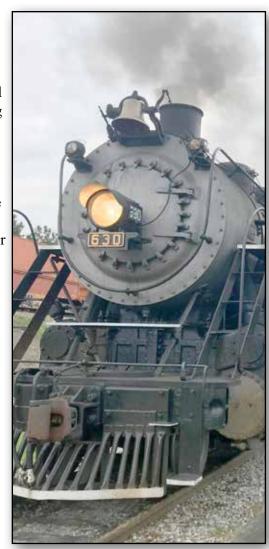
order to make this possible, TVRM had to exercise a number of protocols to protect the safety of our staff. Taking temperatures twice per day, closing the shop break area, wearing of masks and social distancing were all implemented.

In addition to the funded work the shop continued on several other projects using the PPP funds. These projects were designed to produce additional capacity (needed for social distancing, not for total ridership), reduce operating costs or make TVRM more accessible for our passengers. Continuation of former Southern Coach 832's rehabilitation will reduce our dependence on cars leased from third parties. Central of Georgia combine 390 would provide both improved access to the train by those with physical handicaps, and it will also serve as power for our two high capacity coaches that replaced

the RDC cars. With the reduced schedule we didn't need to be operating two steam locomotives in 2020 so the annual inspection for locomotive 630 was completed and it was repainted prior to being set aside until the 2021 season. The suspension of service also allowed the upholstery shop to make progress in repairing the seats in several cars. Repairs were made to our newly received low side gondola and side dump car for use in our track projects. As time allowed between other projects, work to repair the corroded side sills of office car 98 continued.

# Annual meeting postponement and Ballot for members

With the sudden closing of TVRM, it became necessary to postpone the annual membership







meeting, first until May and then into June. With the recognition that group gatherings like the annual meeting were still going to be prohibited for some time, our Counsel Allen McCallie found that under Tennessee Law a ballot could be issued to the membership for action replacing the annual meeting. This was done in late May and by the deadline in early June 25% of the membership had voted their ballots.

TENNESSEE VALLEY RALROAD MUSTEMENT

ANNUAL MEMBERS MEETING POSTBOREMENT

In an abundance of caution and for the safety of our customers,
and the public we have made the members meeting to Friday, May 15 at 7pm.

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to re-electing one incumbent member to the Board, three new directors Susan Harris, Betsey Kirk McCall and Alan Maples were elected. Two changes to the bylaws were also approved. These changes reduced the required quorum for future membership votes and gave the board greater flexibility in the timing of new additions to the board.

## Tornado and the Hiwassee

In the meantime, the evening of Easter Sunday saw a number of storms targeting this area including long line tornadoes traveling across our route in North Georgia and then the Eastern parts of Hamilton County. One employee saw considerable damage to their home, one had their family's home largely destroyed and one TVRM member was close enough (about three blocks) to barely avoid major damage. But the final storm of the night zeroed in on the Hiwassee. Severe rains and high winds washed out, or covered the railroad in a dozen places over about ten miles west of the loop. It took several weeks just to even get over the line with a hi-rail truck to assess the damage.

With the prospect of little ridership to support the restoration

of the line, but needing it to be opened for car storage operations, it was decided to delay the restoration until August, when a concrete bridge would need to be poured in a remote region near the power house to continue the rail line restoration.

### Reopening

As April turned to May, the State of Tennessee began formulating guidelines that would, step by step, allow "non-essential" businesses to reopen. While not in the first phase of those reopenings, the steps needed to safely reopen rapidly became known and TVRM turned its attention to making the necessary changes to the facilities and operating procedures to be ready when the time came.





Pre-ordering of tickets were strongly encouraged to reduce the time spent in line at the ticket office. The recently constructed "welcome" building at the edge of the parking area was pressed into service as a ticketing and check-in location where our passengers could receive their car assignment. This location allowed plenty of outdoor area for passengers to spread out.

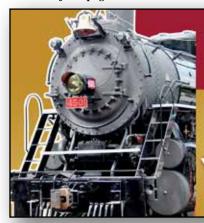
The seating in the coaches were configured for about 50% of full capacity by skipping certain seats within each car. Utilizing Microsoft Teams software the ticketing staff quickly developed a method of assigning groups of passengers to socially distanced seating in order to maximize the safe ridership in each car. Based on their assignment passengers received a color coded wrist band and then proceeded to queue lines (socially



distanced of course) on the Depot platform based on the color which corresponded with a color code assigned to each car. All passengers boarded from the Grand Junction ramp so that no one needed to touch the hand rails and the train was sanitized after each trip. Instead of daily capacity of 750 on three cars operating five times per day, we have about 340 seats on four cars operating every two hours, four times per day. Initially the train only operated three days per week, Friday through Sunday.

working in the new Advance Ticket Office

In order to prevent passengers from congregating in the depot, the heavy waiting room benches were removed and a few chairs were spread out, six feet apart, in their place. All traffic flow in the building was converted to one way and the gift shop became a grab and go area with payment made in the deli. Plexiglass was installed at the deli counter and hand sanitizer



# **WELCOME**

# WE'RE GLAD OU ARE HERE!





our departures reaching 100% of the reduced capacity. Working closely with the local health department and within the CDC guidelines, Dinner in the Diner returned in early August, again with reduced capacity.

The beginning of September saw the return of excursions to North Georgia and on the Hiwassee. The Georgia excursions returned to the schedule with all trains being limited to Chickamauga while the Hiwassee trips were limited to the shorter Loop excursion.

Thankfully, after a three week break, and in spite of the plant still being idled, VW returned to shipping cars from on-hand vehicle inventory. Although slow for several weeks the shipping volume steadily grew until production returned in May when it rose even higher.

stations were installed throughout the building and train. The fixtures in the first floor rest rooms were converted to touchless controls and foot pedals were added to open the door. We were ready, was the public?

We reopened the first Friday in June with a "soft" opening. In the months of June and July we operated at about 75% of our reduced capacity. This was enough to cover the variable and fixed costs of our passenger operations but not much else. Ridership continued to improve slightly through the end of August with many of





In the photo to the left Steve Freer and Charlie Walker add a dividing line to the floor in the Grand Junction Deport to help guests social distance.

Shown below - the now ubiquitous one way arrow signs seen throughout TVRM property where we have instituted one way traffic flows to encourage social distancing. We sell smaller versions of these arrows in out gift shop. The arrow is based off of an early Southern Railway logo.



Shipments of sweeteners through the ADM transload facility only dipped slightly as supply chains of food products shifted from eating out to eating at home. By the end of July, the volume of freight handled by our Tyner Terminal had largely returned to pre-shutdown levels providing financial support for TVRM's other operations.

Unfortunately, even with support from our freight operation, with all of the changes and restricted ridership, it became necessary to move a number of our furloughed employees to being permanently laid off. With no way of knowing when our visitation might return to pre-COVID levels it became obvious that we needed to reduce the operating costs to match our income and operating requirements.

While TVRM had reopened, it still only operated on a very limited

basis. Day Out With Thomas was postponed into September and then was canceled for 2020, returning in 2021. Additionally, we reduced the days we were open and the number of available seats per day to meet the social distancing requirements that allowed us to be open. These limited operations covered their operating costs and some of our fixed costs as well. It did not cover the company overhead, nor all of the principle and interest on our mortgage and other debt, PPP made up the difference. While our freight operations helped with those cash requirements TVRM continues to carefully balance our income and cash outflow.

Dinner trains continued through the fall and holiday seasons and we offered a more limited version

## Do you know

# What it costs to restore a Coach?

Restoration of these types are never the same and often times we are tooling and creating the parts needed. This gives you an example of what we are working with as each piece of equipment rolls in for overhaul. The list below indicates typical costs and can vary greatly depending on what restoration needs are.









of our annual *North Pole Limited* holiday train. There were more lights and things for the visitors to view from the train but less on board entertainment. All of these trains operated with limited capacity due to the required social distancing and sanitation protocols.

### **Looking Ahead**

A leaner and stronger organization is in place to move TVRM forward as conditions improve. Increased

capacity as well as other needed capital improvements will continue to prepare TVRM for whatever the future will bring. Included will be further conversion of restrooms to touchless fixtures, an improved boarding ramp at Grand Junction that fully meets ADA requirements, and covered pavilion space where visitors can gather outside. The pace of those improvements will be directly related to our ability to produce the financial resources needed to balance current needs to maintain the organization, personnel and physical plant, and our anticipated future needs.

June saw the passing of Rick Brown of RLB Construction. For over forty years, and with several different track contractors, Rick was the "go to" person for track repair and construction not just at TVRM but throughout the region. Several years ago, as Rick looked to retiring we worked toward TVRM integrating his business into the Tyner Terminal Railway subsidiary of TVRM. Beginning in August Tyner Terminal began doing outside repair work for a number of Rick's clients. Like our freight operations, TVRM and Tyner Terminal seek to leverage our assets, resources and talent for the benefit of TVRM.





# Progress during a Pandemic

While trains and appropriately dressed crews and staff help with the illusion of the train travel of yesteryear, so can other props from milk cans on the station platform to vintage vehicles. Often seen near stations was the familiar sight of the Railway Express Agency truck waiting to pick up parcels from the stopping train and delivering them to people throughout the



neighboring community. TVRM acquired the 1941 Studebaker truck,

pictured to the left, from a collector in California. It was delivered by truck in February 2020. It will be restored and placed on display in an appropriate location.

One of TVRM's goals is to be a resource to the railroad preservation community and letting other groups use our McCabe flanger is just one example. Above the rear flue sheet for NC&StL 576 is being flanged (formed).

The pictures (bottom left and middle right) show the extensive body work that needed to be done to former Central of Georgia combine 390. Window leakage over many, many years allowed water to enter the car body and slow corrode the side sill and car structure. All of the damaged areas had to be cut out and replaced with new metal and then the sides had to be replaced.



The areas around the windows also received extensive work before the new window glass and gaskets were installed.

Inside Coach 832 (pictured below) we see new electric floor heat installed along with new flooring.





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One of the low side gondolas received from the car ferry at Cape Charles, VA needed some coupler and hand brake work done before it could safely operate at TVRM. In the photo above you see the Soule

Shops team has reconstructed the broken and missing parts of the handbrake shaft, parts you can't find any more and have to reproduce when you need them.

The recently arrived side dump car was taken into Soule Shops for a little TLC. Upon completion, the car was given the opportunity to do what it does best, *TILT* (photos below).

For almost as long as we can remember the "Boom Truck" has been a fixture for picking things up and moving them somewhere else.



age when it entered the vehicle and engine shop. Now (above), looking like new it is ready for many years of additional service.

Work on the replacement side sills on Office Car 98 has commenced after extensive engineering and prototype work was done (photo below). It seems that many of the steel structural components are no longer available so a fabricated substitute had to be devised.





#### **Arrival of Office Car 21**

While former Southern Railway Office Car 21 was purchased in 2019, delivery did not occur until early 2020. First a set of trucks to go under the car needed to be prepared, and once ready moved into position at the Allied Wrecker siding on the Belt Line where the car would be unloaded and mated to the trucks.

Then the car had to be moved from St. Louis by truck to Chattanooga. Below you see the loaded car waiting for daylight to leave Granite City, Illinois. Once in Chattanooga, the car would be unloaded with cranes and lowered onto the waiting trucks. After reassembly the car headed for the shop for evaluation and eventual restoration.





The damage to the Hiwassee from the Easter tornadoes was extensive. Numerous slides and washouts stretched over ten miles of the 43 mile line rendering it impassable.

In addition to the washouts, a falling tree struck and damaged a culvert structure about a mile from the powerhouse in an area only accessible by rail. After assessment by David Clarke, our Hiwassee First, the necessary reinforcing steel would need to be fabricated in the East Chattanooga carpenter's

bridge engineer, it was determined

that a new side wall would need to

the track structure.

be poured in place to hold the side of

shop along with pre-cutting all of the wooden pieces to create the form.

On location the form would need

to be constructed and held in place so the concrete could be added.

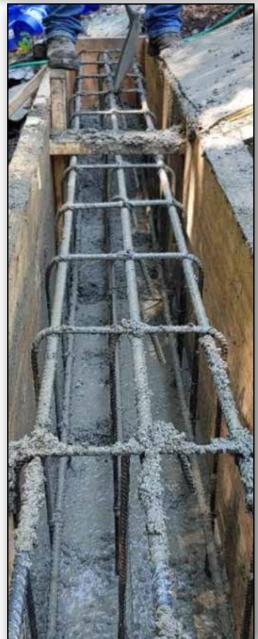
And where do you find concrete a mile from the nearest road (and a forest service road at that)? You mix it on site using water from the stream flowing underneath.

After filling the form to the top with the mix from over 100 bags of redi-mix concrete the new side wall will begin to cure.

The finished product holding the ballast in place for the track structure is shown in photo at left.







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Progress is being made on the next phase of the South Chickamauga Creek Greenway which will run across the toe of our property and under the Chickamauga Creek Bridge (about where the photo, on page 15 of the flood waters was made). In these two views you can see the raised walkway needed to traverse the steep creek bank. The left photo is taken looking up stream. We are looking at making the TVRM property adjoining the Greenway a public trailhead with restrooms and pavilion that can be used for both TVRM functions and trail users. Of course, funding for the facilities will need to be found before that can happen.

Expansion by VW at Enterprise

South Industrial Park lead to the necessity of constructing a new route to the railroad network serving the north end of the park. In the photos to the right we see the high line after the track was removed, our tamper bringing the newly constructed track into proper alignment, and in the photo at the bottom our dump truck placing subballast for the new connection.

As part of our current round of **TDOT** funding we installed a switch and switching lead at MP 2 to improve service to Allied Metal Company. The photo on the bottom left of page 13 shows our 150 ton capacity wreck derrick in use to move the preassembled turnout into position on the

current Allied spur. By constructing the turnout ahead of time we were able to minimize the down time in service to Allied.









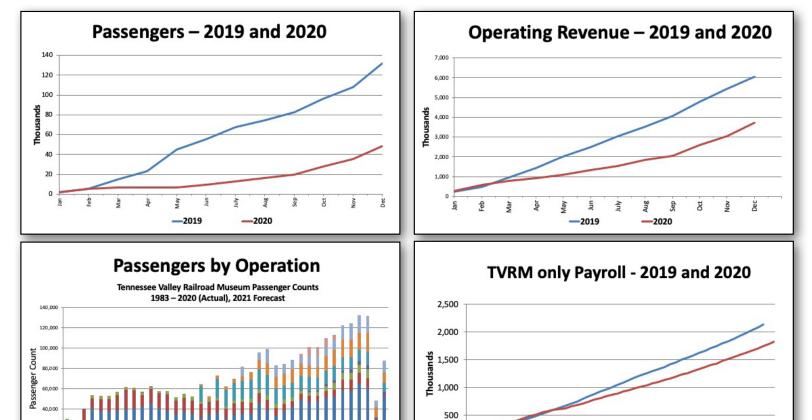
TDOT shortline preservation funding was also used to upgrade the rail on the McCarty siding from 85 lb to 100 lb size. The heavier

rail will let us use the siding to run around cars going to Allied Metal instead of shoving the cars all the way from Grand Junction. This

along with the new switch lead at MP2 will allow for a safer and quicker placement of cars.

#### 2020 Financial Review

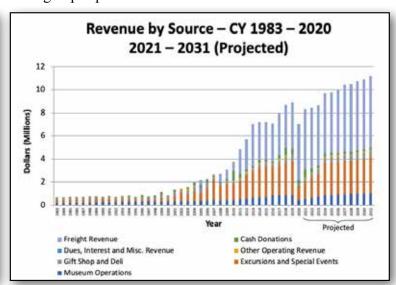
As discussed throughout this issue, TVRM was negatively impacted by the COVID-19 pandemic. Without our freight operations and the PPP loan the outcome for TVRM would have been far worse. As shown in the charts below, you see a normal start to 2020 as represented by TVRM operating income and then the results of being closed to the public for three months before reopening, with only limited capacity. Both the passenger count and



operating income fell dramatically. Because payroll and benefit expenses are the single largest portion of our operating revenues TVRM moved quickly in March to reduce labor costs which had been tracking closely with 2019, up to that point. By year's end the freight business had risen slightly above 2019 offsetting part of the lost passenger operating revenue and resulting in an increased pre-audit net income.

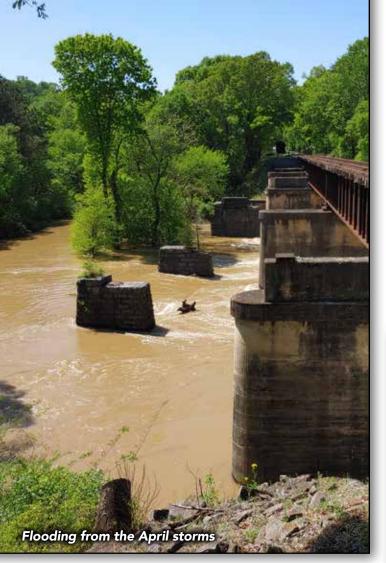
At this point we do not see our total operating revenue returning to pre-pandemic levels until 2022 or 2023.

Income Statement								
	2020 Proliminary	2019	Charge	*				
Revenue Cash	\$7,829,509	\$8,887,032	(\$1,057,523)	(11.9%)				
Gain (Loss) on Equipment	\$0	so						
Non Cash Gifts	\$50,000	\$272,496	(\$214,396)	(78.7%)				
Total Revenue	\$7,879,509	\$9,159,528	(\$1,280,019)	(13.9%)				
Program Expenses	\$5,572,739	\$6,700,607	(\$1,127,868)	(16.8%)				
Management & General	\$841,754	\$1,066,426	(\$224,672)	(21.1%)				
<b>Total Operating Expenses</b>	\$6,414,493	\$7,767,033	(\$1,352,540)	(17.4%)				
Cash Operating Income	\$1,415,016	\$1,119,999	\$295,017	26.3%				
Depreciation	\$775,000	\$751,080	\$23,920	3.2%				
Change in Value of Interest Rate Swap	(\$50,000)	(\$187,157)	(137,157)	(73%)				
Income Before Tax	5\$90,016	\$454,258	135,758	30%				
Income Tax Expense	\$225,000	\$193,400	31,600	16%				
Net Income	\$365,016	\$260,858	104,158	40%				



2019

-2020



The Easter tornadoes had more than high winds they also included torrential rain throughout the region. South Chickamauga Creek rose well out its banks and covered almost three quarters of the original bridge piers adjoining our current bridge.

### **May 2021**

TVRM has purchased a building adjacent to the Grand Junction campus for a future display and education facility. Funding came from long time

TVRM benefactors who recognized the transformative nature of the building. When opened to the public this building will enable TVRM to be open, even if not operating trains, 363 days per year. Additional planning for developing exhibits, programming, and enlarging of this building will take place over the summer with the final plans being unveiled at our 60th Anniversary celebration September 10, 12, 18 & 19.



### A special request to our members, friends and past patrons:

As a 501(c)3 not-for-profit organization, we are doing our best to navigate this complicated and continually changing pandemic situation. We continue to remain fully committed to our mission: to collect, preserve and *operate* railroad artifacts for the public's enjoyment and education.

TVRM is continuing to take proactive measures to ensure that we protect the educational, recreational, and heritage railroad experiences for future generations. Today we balance the need to create sources of revenue while being mindful of the risks in the community around us.

Due to cancellations, a large portion of the income it takes to run our aging fleet was lost. We estimate at this time that we lost more than \$2 million in revenue in 2020 due to the Covid-19 outbreak. The charts at left show the impact of the pandemic on TVRM's 2020 season.

We are asking you to stand with us at this time. We would appreciate your support to help us preserve and grow our organization and are continually grateful of the support that we receive. Donations can be made online through our website at tyrail.com under the *Support TVRM* button or using the enclosed donation card.

Thank you for your consideration at this critical time.



A NON-PROFIT EDUCATIONAL CORPORATION

4119 Cromwell Road Chattanooga, TN 37421-2119

The Mission of The
Tennessee Valley Railroad
Museum is to collect for
preservation, operation,
interpretation, and display
railroad artifacts in an
authentic setting to educate
the public concerning the
role of railroads in the
history and development of
our region.

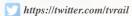
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& Cinders

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### **TVRM Remembers**

2020 brought the passing of three longtime members, ardent supporters, and dear friends.



David Kaplan, 81, of Red Bank, TN passed away on April 18 after battling Alzheimer's for several years. He was an early member of TVRM. Dave spent many years volunteering as a conductor, in the shop and as a Board member. Dave graduated from City High School in 1957 and University of Chattanooga in 1962. He retired from Provident in Chattanooga after 33 years of service in 1995.



Grady Avery Ragan, Jr., passed away at his home on June 26, 2020, at the age of 85. He also was one of the original members of TVRM and worked with us for over 50 years until shortly before his passing. Grady was born in Chattanooga, TN on November 18, 1934. He graduated from City High School in 1953 and went on to earn a Bachelor of Science in Engineering in 1957 from the University of Chattanooga. He worked as a gold plating engineer at 3M/GE for 35 years and Alcoa Chemicals in San Diego, CA for five years.



Randall Freer, 82, passed on December 14, 2020. Randy was an active member of TVRM for almost 50 years, volunteering in many capacities including volunteer staffing coordinator for Day Out With Thomas, Board member, Corporate Secretary, and most recently as Director Emeritus. Born on August 10, 1938, in Paterson, New Jersey, he moved to the Chattanooga area in 1968. Randy worked for Tubelite Company of Memphis as a traveling salesman for over 20 years, dealing in screen printing and advertising supplies.