



CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION
PO BOX 561
ANTONITO, CO 81120
Phone: 719-376-5488
FAX: 719-376-2545
Peter Foster, Chairman Billy Elbrock, Vice-Chairman
Dan Love, Secretary Randy Randall, Treasurer
Mark Garcia, Executive Director

CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION MEETING MINUTES FOR DECEMBER 20, 2012

A meeting of the C&TSRR Commission was held on Thursday, December 20, 2012, at 1:00 p.m. at Our Lady of Guadalupe Hall, Conejos County, Colorado

Call to Order:

Meeting was called to order at 1:10 p.m. by Chairman Peter Foster. He welcomed everyone to the meeting.

Introductions:

Commissioners present and their staff were:

Peter Foster, Chairman
Randy Randall, Treasurer
Leo Schmitz, Executive Director

Billy Elbrock, Vice-Chairman
Dan Love, Secretary
Ed Beaudette, Interim Executive Director

Let the minutes reflect quorum was present.

Approval of Agenda:

Chairman, Peter Foster moved to amend the agenda. Addition of Cinder Bear copyright added to Other Business and Erin Minks to report on Historic Parks to be added above public info. Amendments and approval of agenda was motioned by Randy Randall and seconded by Billy Elbrock. All voted in favor.

Approval of Minutes:

Commissioner Randall motioned to approve September 20, 2012 minutes. The motion was seconded by Commissioner Love and approved. All voted in favor.

Report of Chairman:

Chairman Foster reported that Leo Schmitz will be resigning and that they have been looking for a replacement Executive Director. The Commission is also working with Marketing to finalize a Marketing Plan for 2013.

Report of Executive Director:

Executive Director, Leo Schmitz reported that the current electrical project in Antonito is about to be wrapped up. This project included electrical lights added to the inside and outside of Antonito shop as well as yard lights. Leo also thanked the Commissioners and audience for their support over the 30 years he was the Executive Director of the C&TSRR Commission.

Report of CTO:

- A. Review Train Operating Budget: General Manager, Ken Matzick reported on the budget. (See General Manager Report dated, December 20, 2012.) In general he stated that the 2012 budget for ridership was unrealistic and that ridership was much lower than budgeted. However, ticket yield was high which helped to balance the difference. He mentioned that C&TSRR also was able to react to the lower revenue, but adjusting expenses. The example given was the reduction of overtime. At the beginning of the season overtime was 16-18% of payroll. By the end of the year it had been reduced to 5%.

Commission Randall noted that there was a budget listed as well as a revised budget. He expressed concern about ramifications of a revised budget- due to the original budget being submitted to the New Mexico Legislative. He agreed that a revised budget is necessary and should be voted on.

- B. General Manager Report: General Manager, Ken Matzick gave the report. (See General Manager Report dated, December 20, 2012.)

Fares- Commissioner Randall asked that Children Ride Free be a part of the rate discussion and approval. Children ride Free allows a free ticket for children (2-11) with one Paying adult for regular excursions in coach seating from May 25th – Sept 14th, 2013. The Commission voted with Commissioner Randall motioning on the lesser fare structure of \$89 per adult and \$49 per child for a thru trip with Motorcoach, with the \$2 handling fee included in the price with the 5% historical fee to be added to the ticket price. Commissioner Love seconded the motion. The motion was carried. All voted in favor.

- C. **Marketing Report** – Elizabeth Lujan

Elizabeth has been with the C&TSRR for 6 weeks. During that time she has worked on a couple of goals

1. Get into communities and introduce herself

2. Expand C&TSRR marketing into other organizations. Some of the organizations connected with:
 - a. Buffalo Thunder
 - b. NM Dept. of Tourism/Marketing
 - c. Colorado Tourism – Wild Horse Casino
 - d. Audrey Herrera – Co-op
 - e. Department of Cultural Affairs
 - f. History Museum of Santa Fe

Marketing Report – Elizabeth Lujan, continued.

Elizabeth has also spoken to many people in the community about the C&TSRR; Staff, Roger Hogan, Tim Tennant, Kim Flowers, Jay Wimer and Fred Turner. She also mentioned that she has placed two ads for Spring, one in Motorhome Magazine and in Leisure Tour Magazine.

Elizabeth has also been working with Lucy Kay with C&TSRR branding, the 2013 brochure, review and modifications to the website, working with the West Agency. Becoming involved with Cinder Bear- teaching through Cinder Bear. Working on a welcome back postcard with discount. She is also planning to attend a NW tourism retreat and is working on promotions with the Rail-Runner train.

Chairman Foster wanted to make sure the Colorado Tourism was focused on as much as New Mexican Tourism. Commissioner Love mentioned a tourism grant that should be looked into. Commissioner Randall mentioned that there still may be funds in a grant already received.

Review: Capital Projects, Commission Budgets & Cash Flow – Leo Schmitz

Budget comparison \$639,582 spent through Nov 30, 2012 on capital projects.

(See attachments.)

Trestle and track at Los Pinos- Substantially completed.

MOW started and will continue to clean up ties.

Electrical Project at Antonito Station – Substantially completed

Locomotive Boiler – Work on schedule.

Cumbres Pavilion- Substantially completed with money left in account.

Passenger Cars- Work on schedule.

Wheels & Axles – Work on schedule.

Los Pinos Water Tank project- Plans submitted, project is on schedule.

Commissioner Randall inquired about the two projects that were over budget, where would the funds come from. Executive Director Schmitz stated the Los Pinos Trestle project would take money from the track project funds. The Osier Water System would pull money from excess Capital Funds. Commissioner Randall also requested that attention be made to use the Colorado grant funds, as they have an upcoming expiration date.

Chairman Foster recognized Executive Director Schmitz for his 30 years of distinguished service as the Executive Director of the C&TSRR Commission. Chairman Foster also presented Maria Schmitz with a plaque for all of her dedication to the Commission as well.

Report of the Friends of the Cumbres & Toltec Scenic Railroad – Tim Tennant

The Friends have established the 2013 work sessions. There will be 2 in May, 2 in June, one in July and in Aug. A seventh work session is being planned for Sept or Oct. In November 2012, the Friends of the C&T were designated as a Preserve America Stuart, by Michelle Obama. They were 1 of 38 organizations to receive this Federal Award.

Roundhouse project was reviewed by 34-35 firms, 14 of which bid on the project. They are down to 3 finalists and just interviewed them on a one to one basis. They are now working on the final selection.

Tim mentioned that the Friends celebrated 25 years as a non-profit organization.

He thanked the Commission for all of the years that they have shared a relationship. Commissioner Randall made a statement that the Roundhouse project would cost \$400K. Of this amount \$300K would come from the highway enhancement, \$50K from the Commission and \$50K from the Friends of the C&TSRR.

Report of Legislative Activity- Comm. Randall & Comm. Love

Commissioner Randall reported that the NM Legislative Session starts on Jan 15th, 2013. He hasn't found out what the budget is yet. He was able to find out that 2 projects were funded, but no specifics about which ones. He also mentioned that January 29th was Tourism Day at the Capitol as well as the Reception at the Governor's Mansion.

Commissioner Love commented that the CO Legislature seems to be on the side of the C&TSRR. That the 1.2M grant is likely to happen. The C&TSRR has also been reassigned as a line item under the joint budget committee. Only 1 or 2 on the committee are opposed to the C&TSRR.

Report of Grant & Funding Activity – Comm. Love

A possible new grant opportunity with the Auschwitz Foundation, though the C&TSRR is lacking an Economic Impact Report. The Study has gone to the proposal stage.

Commissioner Love commented on restoration of a historic car fleet from the 1880's period. Car 256 has been donated to the C&TSRR and is currently in the Antonito yard.

Public Input – None

New Business-

- a. Formation of Cumbres Toltec Operating, LLC. (CTO, LLC.)– Comm. Randall Motioned, Comm. Elbrock seconded, motion carried. All voted in favor.
- b. Hiring of a general manager for the CTO, LLC. – Comm. Love Moved, Comm. Randall seconded, motion carried. All voted in favor.
- c. Renew contract with Mountain View Tours – Comm. Randall motioned, Comm. Love seconded, motion carried. All voted in favor.
- d. Renew contract with G Berry Corp- Chairman Foster Motioned, Comm. Randall seconded, motion carried. All voted in favor.
- e. Hiring an Executive Director - Commission did not vote, as no candidate had been selected. They hope to have someone selected by the end of Jan, 2013.
- f. Renew contract with Mitch Butler & Assoc. –Motion not to renew was made by Comm. Love, Comm. Randall seconded, the motion not to renew the contract was carried after discussion of what had and had not been done by Mitch & Butler & Assoc. All voted in favor.
- g. Historic Narrow Gauge Byway- Comm. Love – The purpose for the byway is to broaden the interest of the C&TSRR and the area as well as adding an marketing avenue. The byway would trace the historic route between Chama and Durango. It would include the ghost town Gato, as well as the existing structures along the route. The Northern Utes already have plans to do repairs along the byway. They have sent a letter of support of the byway. The Jicarilla's are interested in the byway as well. They have set the byway as an agenda topic for their next meeting. Comm. Love is looking for financial support outside the Commission and CTO for this project.
- h. Other Business-
 - i. Jill Lane was contacted regarding her Cinder Bear books. She is willing to agree to \$5K for the copy
 - ii. Rites on both books. Funding to come from wherever possible-historical fee. Comm. Love Motioned, Comm. Randall seconded. Motion carried. All voted in favor.

- iii. Discussion resumed regarding revised budget. . Comm. Elbrock Motioned to accept the revised budget, Comm. Randall seconded the motion. The motion carried. All voted in favor.
- iv. Comm. Randall asked which logo would be used, the former logo or the logo adopted in 2012. Comm. Randall made the motion to use older logo; Comm. Love seconded. The motion carried. All voted in favor.

Meeting Adjourned at 4:05pm

Signed:

A handwritten signature in black ink, appearing to read 'Dan Love', written over a horizontal line.

Dan Love, Secretary