

CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION MEETING MINUTES FOR MARCH 18, 2013

A meeting of the C&TSRR Commission was held on Monday March 18, 2013, at 11:00 a.m. at Chama Senior Center, 2449 Hwy 84-64, Chama, New Mexico.

Call to Order:

Meeting was called to order at 11:08AM. by Chairman Peter Foster. He welcomed everyone to the meeting.

Introductions:

Commissioners present and their staff were:

Peter Foster, Chairman
Randy Randall, Treasurer
Mark Garcia, Executive Director

Billy Elbrock, Vice-Chairman
Dan Love, Secretary
Stephanie Gray, Administrative Assistant

Let the minutes reflect quorum was present.

Approval of Agenda:

Commissioner, Randy Randall moved to approve agenda, but will be moving up the presentation from the Rutherford Group. The motion was approved and seconded by Commissioner Love.

Approval of Minutes:

Commissioner Randall motioned to approve December 20, 2012 minutes. The motion was approved and seconded by Commissioner Love.

Report from Rutherford Group reported that Randy Randall was instrumental in getting 300K on the senate side of house bill #2 and it is on the governor's desk at the moment, she has 20 days to act on this bill and the public was encouraged in support of the railroad to write letters and mail them to NM Governor Susana Martinez. This money was not specified for depot.

The Rutherford Group advised us of the retirement for Linda Kehoe a champion of the finance committee and a special thank you for her.

The Rutherford group was also going to be working with DOT on some new signage for the C&TSRR.

Report of President:

President John Bush reported he was happy to be back, he was CMO for the railroad from 10/89-5/96.

Train Operating:

A) We are ahead of last year on ticket sales, individual travel is up, and looking forward to growth in ridership in the course of the season.

Maintenance and Repair Report

A) Our plan is to have a full consist of cars for opening day, we will not be operating out of Antonito on Sunday and we will be running a modified ride on Sunday out of Chama to Cumbres & return, titled "Sunday Express" which will include lunch at Cumbres.

B) Locomotive #484 is going thru a thorough inspection (1472) and should be completed by opening day. At this moment we have 4 running locomotives and the latest addition to this was the #463 which moved on its own on 3/15/13. John plans to have all 5 locomotives operable on opening day. We are also looking to lease a diesel locomotive #15 from Georgetown Loop Railroad, so we can have a diesel on both ends of the railroad.

C) DOWT will run in Chama two weekends and that is 6/15 & 6/16 & 6/21, 6/22 & 6/23, get kids involved early!!! Poster should be poster everywhere.

D) Other Information: Retail plan for summer is moving ahead. Brochure distribution will continue to be contracted thru Certified Folder.

6. Marketing Report. Lucy Kay presentation, 3-5 year plan.

A) Top Line Strategic Direction: Maintain a profitable, sustainable operation, build brand as a unique high-quality experience, focus on core revenue drivers, develop more balance and effective marketing mix, expand market.

B) Top Line Initiatives: Improved metrics and strategic discipline, experiential branding, strong sales and service culture, integrated, measured marketing initiatives.

C) Long Term Goals: 50k ridership, 95% advance sales, 20% family, 10% international, sustainable profitability supporting capital investment.

D) Short Term Goals 2013 Volume Growth: \$3.2 million revenue, 35,000 riders, pricing strategy to "fill the train" is kids ride free, pricing realignment, & Sunday Cumbres turns. Focus on excursion/Coach Class, through upsales to tourist & parlor.

E) 2013 Marketing Tactics: Adding weekly reporting/redirection, focus on metrics, public relations, email offers, sales, training, social media integration, continue the print advertising, radio/tv, brochure distribution, Pay Per Click & website

We've contracted with Jennifer Marshall, The Marshall Plan, as our PR Agency.

Dan Love moved to approve the marketing plan, and seconded by Randy Randall.

7. Executive Directors Report: Appropriations in Colorado & New Mexico funding looking good.

A) Financials-Commission has approved review of our financial network with Erick Robinson, a previous auditor, and has completed phase 1 work. We are working on FY 13-14 budgets and will be presented to Commissioner Randall for review and approval, and once approved we will proceed with draft copies for commissioners review. Commissioner Randall made a motion to use original budgets as approved numbers Commission Love seconded and motion was approved.

B) Capital Projects: Lobato Trestle work is progressing with HDR on final repair. Construction is planned to commence on or around 4/1/13. Los Pinos Water Tank has gone to bid and must be completed by 6/1/13. Los Pinos Trestle working with History Colorado on grant compliance. Antonito Depot Lighting project is completed. Chama Depot Electric project is in process. Several grant projects are underway.

8. Commissioner Report: Chairman Foster thanked Ed Beaudette for all his hard work in the interim during the Executive Director search. Also thanked Dan Love for the help in finding the GM/President. Introduced Lucy Kay & Elizabeth Lujan and stated with the new operating structured the Commission will be a lot more involved. Randy Randall will be more involved in financials, Dan Love to be more involved in marketing, with support from Randy. Billy Elbrock will be active in retail.

B) Nothing to report from Vice-Chairman Elbrock

C) Dan Love discussion on Sept issues of micro management, there are different individuals of the commission and feels we will function more productively.

Meeting adjourned for lunch break 12:22 to 12:52

D)Randy Randall Treasurer, thanked Ed Beaudette for his work, thanked Leo for his work and commented that Mark & John are working on simplified reporting. In May & June we will run parallel book to the new system we will have in place on 7/1/13. A motion was made by Randy Randall to accept audit for FY 12 Dan Love seconded and motion was passed.

9. Legislative and Grant Funding Reports: Dan Love reported that the Colorado appropriations are on track. Change in funding types from capital to regular general fund line item would be beneficial.

10. Friends of C&TSRR Report: Tim Tennant reported #463 is almost done. Work sessions will be starting 5/20/13.

A) Osier Signage Plan Project. These signs will have the history of that location; logo and branding. Billy Elbrock made a motion to approved the signage project and it was seconded by Randy Randall he also will continue helping with this project and stated it need to be presented to SHPO all in favor and motion carried.

B) NHL Dedication Discussion: Potential ride out of Chama on 6/30/13 to Cumbres, we have the plaques.

C) Communication and Committee Discussion: Topics included Triad Agreement, and Historic Car Fleet.

D) Roundhouse Project Update: Tim reported we are moving forward with the enhancement grant (NMDOT) contracted with A/E firm scope and engineering, planning to rebuild stalls, shop area restorations, planning stage will have to be approved by DOT & SHPO, in the previous roundhouse stalls were too short and will have to be longer.

11. **Public Input:** Tom Hendershott stated Ben Martinez & Joaquin Atencio did an outstanding job in cleaning cars and getting train out at 10:00AM. Also stated the Evan Martinez helped car attendants and was a very important addition to the train crew. Docents went out of their way to help. Steve & crew at Osier was always so helpful. He also thanked Billy and Fina for supplying coffee & misc. Also the dedicated staff...

12. **Unfinished Business:** Bi-Way project this is such an important piece of railroad fabric. We have the support of Jicarilla Apache Nation & Southern Ute Indian Tribe. This is two-fold project, it would promote C&TSRR & D&S on potentially bring more passengers to the railroads. We need to fund this project and hire a coordinator. Dan Love made a motion that the commission fund ¼ of this project \$56000.00 project the fund to come from Historic Preservations Association funds to support this bi-way project. Dan Love also willing to do whatever it takes to fund the remaining fund for this project. Randy Randall seconded this motion. Pete Foster commended Dan Love on all his work on this project. All were in favor motion passed. HPA funds for projects like this.

Update on acquiring car #256, an 1876 coach, we now have 5 historic cars that can qualify for passenger operations for specials. At the moment restoration of #256 and all other historic cars would be about \$200,000.00, in this year's appropriations we will use \$100,000.00 to get started from appropriations, we will need to get grants to restore these cars, as they all need trucks. An impact study has been submitted to Anschutz Foundation and should hear from them mid April for their decision.

13. **New Business**

A) Cumbres Toltec Operating LLC has an operating agreement that is effective 1/1/13, requires commission as the sole member of the LLC, and requires members stay actively involved, 75% membership approval for any amendment which requires 100% from one member, Randy Randall made motion, Dan Love seconded motion passed.

B) Rio Arriba Stuntmen's Association Property Use Permit Request: Requested to use railroad property for Territorial Days 6/28/ & 6/29, the RASA group is asking for corporate sponsors, they will provide insurance to us, they will be asking the village to mow the property prior to the event they will have a tent town on the railroad property and they will see the train off in the morning and greet it in the evening. Randy Randall made a motion to advise the Village of Chama this is approved from our standpoint but the approval would have to come from them for this event request because they have that property leased from the railroad and Dan Love seconded this motion, all were in favor in motion was approved.

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C) **Cumbres Pavilion Dedication Discussion:** Plaques to memorialize all sources of funding, also this should be detachable. Possible dedication around commission meeting, Colorado Days, or possibility June 21 for this dedication.

D) **Discussion and Approval of Quarterly Meeting Schedule:** After much discussion Randy Randall made a motion to set: June 27, 2013, Thursday September 19, 2013 Thursday, and December 12, 2013 Thursday for the meetings Dan Love seconded the motion all approved motion was passed.

Dan Love made a motion to adjourn Randy Randall seconded, motion carried.

Meeting was adjourned at 2:13PM



Dan Love, Secretary