

**CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION
MEETING MINUTES FOR SEPTEMBER 19, 2011**

A meeting of the C&TSRR Commission was held on
Monday, September 19, 2011; at 10:00 a.m. at
Chama Senior Center, 2449 Hwy 84-64, Chama, New Mexico.

Meeting was called to order at 10:00 a.m. by Vice-Chairman Randy Randall. He then proceeded to introduce New Mexico's newly appointed Cumbres & Toltec Scenic Railroad Commissioner, Billy Elbrock.

Those present were:

Randy Randall, Vice-Chairman
Commissioner Dan Love
Leo Schmitz, Executive Director
Stephanie Gray, Administrative Assistant
Eric Jacobson
Elmer Salazar
Richard Tower
Jim Poston
Amos Cordova
Tom Rutherford
Robert Stetson
Bob Sullivan
Sam Seiber
Bill Mackey
Clif Palmer
Jean Beard
Rich Casford
Paul Edwards
Monica L. Lucier
Ralph Hamilton
Tom Kneib
Leslie Wildblood
Karen Ranger

Pete Foster, Secretary-Treasurer
Commissioner Billy Elbrock
Marvin Casias, General Manager
Tim Tennant
Stephen Flowers
Roger Hogan
Geoffrey Gordon
John Matthews
Dick Cowles
Joe Hartigan
Chetan M. Johnston
Julie Cordova
Steven Forney
Margaret Palmer
Jay Winer
Kim Smith Casford
Craig McMullen
Scott Flury
Art Dederick
Tom Hendershott
Ian Wildblood
Dan Ranger
Matt Abbey

Greg Freeland
Steven Butler
Zack Blea
Bob Ross
Glen Avery
Teddy Grove
Barbara Hogan
Maria T. Schmitz

Carolyn P. Beasley
Jean Leonard
Earl Knoob
Jill Lane
Debra Goodman
Carol Mackey
John L. Lutz

Commissioner Love moved to approve the agenda as presented. Motion carried with a second from Commissioner Elbrock.

Commissioner Love then moved to accept the Commission Minutes for June 15, 2011 as presented. Minutes were approved with a second from Commissioner Foster.

Vice-Chairman Randall reported the Season was increasing in numbers towards the end; however, he hopes the numbers will increase for the upcoming 2012 Season. He is also pleased to have a full Commission Board. He ended his report with being delighted in having six responders to the RFP process which will be discussed under the Action Section.

Leo Schmitz, Executive Director, then presented his report. He informed the Commission the work on the Chama Depot is out to bid, and the monies being expended are from Colorado Controlled Maintenance.

First, President Elmer Salazar said the Season was progressing well with walk-ups being 15% of riders. He informed everyone the last couple of weeks have seen 200 passengers a day. Elmer let all know the last day of the Season would be the 16th of October.

Elmer gave an update on the 484 which will be ready for the up-coming Season. Also, he let the Commission know there were three new qualified engineers for the C&TSMC. He also acknowledged the staff and gave them praise for their efforts in keeping costs down and working diligently in working for the betterment of the C&TS RR.

At this time Vice-Chairman Randall asked Tim if he would mind waiting to give his report. Vice-Chairman Randall moved Item #10: Report of Legislative Activity to this point since Tom Rutherford, Commission's New Mexico Lobbyist had to return to the New Mexico Special Session. Mr. Rutherford reported the C&TS RR's request for 1.5 million is still part of the Capital Outlay Bill, and he hopes it will pass through the Legislative Assembly. Vice-Chairman Randall added it looked promising the Commission might receive these funds since he, Tom and Leo had been working with and talking to David Abbey the last two weeks.

At this time he then asked Tim Tennant to give the Treasurer's Review for the Train Operation Budget. He reported ridership is not where it was expected. He commended Marvin and the

staff for keeping costs down since the C&TSMC was able to operate at a cost of only \$32,000 under budget for the Season.

Marvin Casias, General Manager then presented his report. He wanted everyone to know two weeks ago the FRA Audit was completed and complimented the C&TSRR for addressing the issues and having no accidents on the Railroad. He also gave his thanks to the crew and staff for the work, efforts and dedication they gave the Railroad this Season.

Eric Jacobson presented the Marketing Report. Eric said they are working hard to inform everyone now is the time to ride the Cumbres Toltec Scenic Railroad to see the array of colors. He said Chris was sorry he couldn't be present; but, Eric adamantly told him it was better to stay in Chicago and be there with his family in this time of his mother's death.

The meeting continued with the next item on Agenda was the Review of Capital Projects, Commission Budgets and Cash Flow. Leo presented the Capital Projects review by informing the Commission some of the Candelaria Funds were spent on the Chama Parking Lot. He also said the Chama Depot Electrical was an ongoing project and proceeding on budget. Commissioner Foster asked if the Osier Section House was completed, and Leo said it was done and within budget.

Leo also reported the Commission had received a matching grant from the Gates Foundation for up to \$60,000 for the Cumbres Shelter. He said some of the Candelaria Funds were already earmarked for this project. He then proceeded to let the Commissioners know the Commission's budget was within the spending boundaries for the beginning of the fiscal year.

Cash Flow was then discussed. With tight money management control there will be dollars left to see the Railroad through the winter months.

Vice-Chairman Randall then asked for the Friends report to be given. Tim informed the Commission the 2011 Work Sessions had ended with 393 participants who contributed much work for the Railroad. Also, a group of 56 individuals from Latter Day Saints contributed 224 hours of volunteer work on the 6th of August. They did much to clean the Chama Yards.

He also let Jim Poston report on the 463's work. Jim let everyone know the Historic Machinery Services had finish installing the tubes and flues and performed a successful hydrostatic pressure test on the boiler. The boiler returned to the Monte Vista Shop, August 12th, when all work had been completed. Wheel sets are nearing completion at the Durango & Silverton shop in Durango. Tim ended the report by saying to date, \$886,662 has been expended on this project, and the completion date is March 31, 2012.

Tim also invited the Commission to attend the Friends' Fall Board Meeting and Banquet to be held on the 21st of October at the Colorado Railroad Museum in Golden, Colorado, Tim ended his report by giving the Commission a check for \$3,172, donations are still coming in, for the Lobato Trestle. Vice-Chairman Randall thanked Tim and the Friends for the volunteer work, hours given, dedication, time and their financial support.

Vice-Chairman Randall asked what has been happening with getting the C&TSRR Landmark Status. Dick Cowles informed them the paperwork had been submitted to Washington, D.C. for their review.

Commissioner Love then reported in July of this year, a grant was applied for to further the development of tourism and \$10,000 was received to promote the San Luis Valley and Southern Colorado which the Railroad was a part of it. Eric said New Mexico had given \$3,000 for tourism and marketing the Railroad.

Next on the Agenda was Public Input. First member of the audience to address the Commission was TC Grove. His complaint was the shingles should be replaced on the Antonito Depot, Chama Water Tank and Commission's Office. Leo said this was project to be addressed after October 16th. These shingles blew off recently with the strong winds in Chama and Antonito. Vice-Chairman Randall directed Leo and Marvin to get this accomplished as soon as possible.

Jay Wimer then stood and gave thanks to the Commission for the outstanding job of getting the RFP out as quickly as they did. Also, he said kudos to the Commission and the Committee for the quick results of having proposers applying and reviews the proposals. Vice-Chairman Randall said it was because of the hard work of Richard Tower and Leo Schmitz this was accomplished.

Other members who spoke and offered their services to assist the Railroad and offering thanks for running a good train were Debra Goodman, Carolyn P. Beasley, and Kim Smith Casford.

Vice-Chairman Randall informed those present there were no items to be addressed under Unfinished Business.

Next on the Agenda was New Business. The first item discussed was Election of Officers. Vice-Chairman Randall said the Commissioners would be elected, serving for one year; therefore, changing the Election of Officers to the third quarter of the year instead of the usual fourth quarter. Commissioner Foster moved to have Randy Randall serve as Chairman: Pete Foster as Vice-Chairman: Dan Love as Treasurer: and Billy Elbrock as Secretary; serving for one year with Election of Officers being changed to the third quarter of the year instead of the fourth quarter of the year. Motion carried with a second from Commissioner Love.

Next item discussed was Update/Approval of Request for Proposals. Chairman Randall informed the audience there were six proposals submitted because of the RFP process. There six member he appointed to serve on the review committee. They were himself, Commissioner Dan Love, Frank Turner, Richard Tower, Tim Tennant and Leo Schmitz. The six applicants were:

- 1.) Railmark;
- 2.) Canon City and Royal Gorge;
- 3.) Freeland Travel;
- 4.) Brad Wujcik;

- 5.) American Heritage Railways; and
- 6.) Iowa Pacific Holdings.

The Committee met on the 15th of September to review the proposals. After much deliberation, the Committee chose America Heritage Railways and Canon City and Royal Gorge and recommends the Commission interview and negotiate with these two proposers for operating the Railroad. Commissioner Love moved to accept the Committee's recommendation, and motion carried with a second from Commissioner Foster.

Leo then presented the next item on the Agenda, Approval of Banking Resolution. He said this was a technicality to have the new Commissioner, Billy Elbrock, added as an authorized signatory to the Commission's bank accounts. Commissioner Foster made the motion to approve the Banking Resolution as presented. Motion carried with a second from Commissioner Love.

Next item on the Agenda was Approval of Property Insurance and Values. Leo presented the Insurance Values for their review and approval. After much deliberation and discussion, Chairman Randall directed Leo to review insurance values and have the proposed changes ready for the next Commission meeting for approval.

At this time, 12:04 p.m., Chairman Randall adjourned the meeting for a short recess for lunch. Chairman Randall reconvened the meeting at 12:36 p.m.

The meeting re-opened with the next item on the Agenda, Approval of Property Lease to Village of Chama. Leo informed the Commission the Village of Chama wanted to update the lease and extend it for another five years, 2011-2016. Chairman Randall said the original lease was to make these areas available to the public as a resting spot with picnic tables, cleared of weeds and other debris. He asked if this had been done. Also, he wanted the Village to have pride in these areas and possibly setting a static display, with the Railroad in mind, for those driving through or visiting the Railroad. After further discussion Commissioner Foster moved to extend the lease agreement. Motion carried with a second from Commissioner Love.

Chairman Randall informed the Commission the contract for West Agency needed to be extended to the end of the year, December 31, 2011 to help with the transitional process of marketing since there would be a new operator for the Railroad. Commissioner Foster moved to extend the West Agency's contract to December 31, 2011. Commissioner Love seconded the motion and motion carried.

There was no discussion on the next item on the Agenda, Presentation of Transitional Marketing Plan, since Eric said Chris' mother had passed away, and he was in Illinois attending to the needs of the family and funeral arrangements. Chairman Randall said he understood, and he knew the transition would go smoothly. Commissioner Elbrock praised Chris and Eric's work and efforts in their marketing efforts.

Commissioner Love then addressed the next item on the Agenda. Review of Fund Raising Proposal. He said he approached Mitch Butler from the Washington, D.C. area to have him help

the Commission acquire information and other resources for obtaining federal funds and other grants. He informed the Commission Mitch would be the investigator and the grant writing would be accomplished by the Commission. The cost would be \$48,000 for six months.

He further added the cost could be split between the Commission, Friends and Candelaria Funds. Chairman Randall felt it was an idea which should be studied. Commissioner Foster felt the cost was too high for obtaining the information when a grant writer was needed. After further discussion, Chairman Randall tabled this item for further review and discussion.

Chairman Randall said the next Commissioners' Meeting was scheduled for December 14, 2011; however, since there were conflicts with Commissioners, it would have to be rescheduled. He directed Leo to work on the date which would work with everyone's schedule.

Since there was no further action or business to discuss, Chairman Randall adjourned the meeting at 1:04 p.m.

/S/ 11-17-11

Randy Randall, Chairman

/S/ 11-17-11

Pete Foster, Vice-Chairman

/S/ 11-17-11

Dan Love, Treasurer

/S/ 11-17-11

Billy Elbrock, Secretary