

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

A meeting of the C&TSRR Commission was held on Thursday, September 20, 2012, at 10:00 a.m. at Chama Senior Center, 2449 Hwy 84-64, Chama, New Mexico.

Meeting was called to order at 10:05 a.m. by Chairman Randy Randall. He welcomed everyone to the meeting.

Commissioners present and their staff were:

Randy Randall, Chairman
Dan Love, Treasurer
Leo Schmitz, Executive Director

Pete Foster, Vice-Chairman
Billy Elbrock, Secretary
Stephanie Gray, Administrative Assistant

Let the minutes reflect quorum was present.

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

Commissioner Love moved to accept the Commission Minutes for June 21, 21012 as presented. Minutes were approved with a second from Commissioner Elbrock.

Chairman Randall reported HRM is terminating the contract with the Commission. He further added the Commission is committed to operating the C&TS RR. He also introduced Jon Clark, who is the Railroad's New Mexico's Legislative Finance Committee Analyst.

Leo Schmitz, Executive Director, presented his report. See Attachment.

Al Harper, President of HRM, reported ridership was down, but revenue was up 1%. He further added it has been a rough year for the Tourist Railroad business across the country.

Filling in for Cathy Swartz, who was unable to attend the meeting, Ken Matzik, General Manager, reviewed the operating budget, (See Attachment.) He then reported on the operations of the Railroad, (See Attachment.)

Chris Czmyrid presented the Marketing Report. He said this was the worst summer for the movie industry since 1993. The economy was hard since New Mexico ridership was down 2%; Texas was down 8%; and Colorado riders were down 15%. He reported that all advertising had been executed with adjustments for the down market. He hopes 2013 economy and Season will be better.

Leo Schmitz presented the attached reports for Capital Projects, Commission Budgets and Cash Flow.

Bob Ross presented the report for the Friends. See Attachment.

For the Legislative Activity report, Chairman Randall advised that New Mexico would have a sixty day session this coming year and the Railroad has requested 1.5 million for the upcoming Season. He stressed that everyone interested in supporting this funding should contact their legislators to stress the importance of this level of financial support not only to the railroad but also Chama and Northern Rio Arriba County. Commissioner Love reported the dollars received, if any, from Colorado will be in the Long Bill; however, most of the monies will be for capital projects. He is hopeful that with another year of finding in the range of slightly over \$1,000,000 from the Colorado General Fund, that the railroad will have an ongoing foothold in the budget.

Commissioner Love submitted a report of the list of Grants requested and being requested, (See Attachment.)

Next on the Agenda was Public Input. Comments made by members of the audience included creating an inventory of critical parts for locomotives and cars; that the fares are too high and the C&TSRR should develop a yield management approach to ticketing.

The Commission then announced that it would go into Executive Session to discuss the contract with Heritage Railroad Management. Chairman Randall and the Commissioners convened into Executive Session, at 12:25 p.m., with a motion being made by Commissioner Foster and a second by Commissioner Love.

Chairman Randall called the meeting back into session at 1:37 p.m., stating "Let the minutes reflect no action was taken during Executive Session."

In the discussion of Unfinished Business, additional Results of Bridge Inspections completed by Martin & Martin Engineers were presented by John Matthews. John reviewed the Bridge Report submitted by Martin & Martin Engineers, (See Attachment.) After reviewing the report, Commissioner Foster moved to approve the two Martin and Martin Engineers Proposals for the Cascade Bridge load testing and the Chama River Bridge as presented with final cost to be worked out based on inspection needs and the construction liability not to be waived. Motion was approved with a second from Commissioner Love.

Leo Schmitz presented the information with regard to a bid process for the Chama Depot Electric capital funding from Colorado. A motion to proceed with the project was made by Commissioner Love and seconded by Commissioner Elbrock. The motion was passed.

Commissioner Love moved to accept the letter of termination from HRM and agreed on October 31, 2012 as being the date of termination. Motion carried with a second from Commissioner Elbrock. Randy Randall reported the current manager, Ken Matzick, has agreed to continue past his announced resignation on November 1 as the general manager spending less time on the ground in Chama. Marvin and Ed will be supporting his leadership through added responsibilities in his absence.

Chairman Randall said the next Item of the Agenda, Discussion of Options for Future Management, would be addressed at a later date.

Under Election of Officer, Chairman Randall moved to have the new slate of officers as follows:

Chairman	Pete Foster
Vice-Chairman	Billy Elbrock
Secretary	Dan Love
Treasurer	Randy Randall

The motion was approved unanimously with a second from Commissioner Love. At this time, Chairman Foster took over the gavel.

Since there was no further business to discuss, Chairman Foster adjourned the meeting at 2:07 p.m. with a motion by Commissioner Elbrock and a second from Commissioner Randall.

/S/ 12-20-12

Dan Love, Secretary