

# C&TSRR Commission Minutes

August 5, 2017 9:00 AM

Conejos Parish hall

*Public Input – Public comments/questions will be allowed during each topic upon being recognized by the Chairman. Comments and questions may be no longer than 3 minutes and must adhere to any other requirements established by the Chairman. All public speakers must indicate their desires by registering in advance of the meeting on the available sign-up sheet which will become part of the record of the meeting.*

1. Call meeting to order – Chairman Lucy Kay at 9:00a.m.
2. Pledge of Allegiance – Commissioner Elbrock
3. Introductions – Commissioners, public
4. Approval of Agenda – Commissioner Billy Elbrock
5. Approve the Minutes from May 13, 2017 Commission meeting - Commissioner Kay
6. Presidents Report – John Bush-The New Mexico special Legislative session ended with no capital appropriation for the Railroad. The \$ 111,800.00 for commission operating support was passed. This is down from the \$ 118,300.00 of commission support approved last year. The redirection of \$ 145,000.00 from Sublette water system. Chama sand house, and Chama welcome center to passenger car work has also been secured. The Colorado Legislature approved funding and Gov. Hickenlooper signed the bill providing \$ 1,295,000 in support. \$ 134,000 for the operation of the commission and \$ 1,161,000 in capital support for track, locomotive, and car improvements. The septic tank and leach field system at Osier has been redesigned and replaced. The final billing for the project is not complete but is expected to be approx. \$ 125,000.
  - a. Train Operations Report – John Bush-The staff/employees of the railroad are to be commended for the way they have handled several challenges we have faced this season. Among them were two slides that kept the eastbound train from getting to Lunch on time in Osier. By the time lunch was over the track had been cleared and both trains completed their runs only 1 hour and 10 minutes behind schedule. Vouchers were not needed. We got an interview for Colorado public radio.
  - b. Maintenance and Repair Report – John Bush-The Chama water system failed. The town was without water for two days. Locomotive operation was not affected because we have our own water supply. The businesses in town including both the restaurants and motels were without water. To alleviate the stress, our staff opened the lavatories on the train and provided drinking water and breakfast for the passengers. The Passengers were very happy.
  - c. Historic Car Fleet update – Stathi Pappas- Grant application generation for car 256. Interview and hiring process for second 168 dedicated employee. Tender frame welding and framing complete. Delivery of truck bolster materials. Delivery of tender decking. Tender tank sheets and framing all cut. Work with Scott Gibbs on Dailey Foundation Grant. Work with Chris Dewitt on letter of support. Car 292 New sister rafters half complete on south side. End door frame material ordered, window hardware ordered, and door hardware delivered.
  - d. Marketing Report – John Bush- As of July 30, there have been 22,713 reservations made. This is ahead of last year by 11.6% Revenue is currently up by 16.6% compared to the previous year. The growth is primarily in tourist and parlor class service. That is why revenue is growing faster than ridership. This suggests two things. Price is not the driving factor on people’s decision to ride the train. When we

reach capacity on the premium service cars ridership will be constrained by not having more premium service customers.

e. Launch Advertising our new marketing firm has completed a re-branding of the railroad. The new look can be seen in the brochure and on the website. An aggressive digital campaign has been launched targeting both the demographic and psychographic of our potential customers.

f. The Chama Valley Welcome Center is open and the FOCTS model of the Chama yard is prominently displayed there. A one-time financial contribution to the center will be made and tracked to insure best practice and the success of the Welcome Center.

## 7. Financial Manager Report

a. Financial Report – George Canham- Since the last commission meeting we completed the 6/30 audit test count of inventory and passed with one count, YEA! The deadline to submit workpapers in preparation for auditor's fieldwork is September 18. All necessary work should be accomplished timely. Results for CTO were right at or slightly above, \$68,000. Some capital purchases (desks, computers) in CTO will be moved to capital, as part of the process for the September 18 deadline. We recently billed for capital reimbursements totaling \$114,316 from New Mexico and \$29,242 from Colorado. In response to a question from one of the commissioners, The Auditors should provide draft copies of the financial statements within 10 days after they complete fieldwork. Filing with the states should be taken care of on or around November 15. Colorado apparently doesn't have a set deadline for filing. New Mexico wants the reports by December 15. We have no reason to believe that will be an issue. Both Rebecca Hardin & Becky Falk, who work with me in finance, are picking up some of the load, prepping for the auditors. There should not be issues this year as there were last year with the auditors.

## 8. Commissioner Reports

- a. Chairman Report – Lucy Kay / industry/tourism- Colorado and New Mexico released their reports, in July 2015. 19 billion for Colorado, and 6.3 billion for New Mexico. Upward trends in the both states, the growth is continuing. Lucy commended staff for great work.
- b. Vice Chairman Report – Billy Elbrock / local affairs-Gift shops are doing a tremendous job. Provides good employment. Has attended meetings in both states.
- c. Secretary Report - Dan Love /capital projects- Capital in Colorado, successful. Colorado has always faced problems, no guarantee from Colorado. There was a battle with the Tabor Laws. Legislature came up with a plan, to save us. Currently in the Gov. Budget process. We are in good shape. The Governor is limited as of January 19, 2018. Do not have as much money in Capital is a concern. Looking at our priorities. Shifting money around. O base plan for expenditures. Predict we should have no effect on employees. Reduce the amount of things we are doing, supply issue not an employee issue.
- d. Treasurer Report – Dick Cowles – New Mexico crisis getting funding we got zeroed out. New Mexico is broke, we applied for a million got reduced to \$

300,000. Reallocation of money, from past appropriations. Meet their requirements. The situation is clearing up. Under those circumstances we have started our campaign. Equal contribution from both sides. Working with legislature, intermediate committee. There will be a meeting on October 3, 2017. Legislatures cannot ride free. Next October Commission meeting we will need to have a report on how that went. Working with the Village of Chama and RR joint event. Work well together.

9. Friends of C&TSRR Report- Commissioner Love presented Tim Tennant a check. Tim Tenant and Bob Ross are not present.- Cowles asked how Sam Seiber can contribute to 168 170(c) useful if the Friends could receive 401(c3). Matching 170 (c1) governmental. Speak with Friends to get it worked out.

a. General info-

10. Locomotive #168 status and funding - Stathi Pappas- Progress on locomotive 168 is being made. The tender frame has been strengthened and the cab has been removed and will be shipped to Colorado Springs, where it will be rebuilt by the FOCTS over the winter. The injectors have been tested and will not require any work before being returned to service. A full time skilled person has been hired to assist in the project. The estimated cost of rehabilitation is \$ 500,000. \$ 300,000. Has been secured and another \$ 100,000. Has been promised. We plan to complete the project before the of the 2019 operating season. Interested parties are invited to view the progress at the facility in Antonito.

11. New Business\*

a. Motion to approve CTO operating Agreement, Commissioner Kay moved to approve, Commissioner Elbrock seconded the motion, motion carried unanimously.

12. Adjourned at 10:05a.m.



Dan Love, Secretary