

Cumbres Toltec Scenic Railroad Commission Meeting

C&TSRR Commission Minutes

November 2, 2019 9:00a.m.

Chama Town Hall, Chama, N.M.

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.*

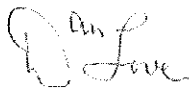
1. Meeting was called to order by Chairman Dan Love at 9:00 a.m.
2. Pledge of Allegiance was led by Commissioner Billy Elbrock
3. Introductions– Commissioner Dan Love
4. Approval of Agenda– Commissioner Bill Lock Commissioner Lock moved to approve, Commissioner Graybill seconded the motion, motion carried.
5. Approve the Minutes from July 27, 2019 Commission meeting- Commissioner Lock Moved to approve, Commissioner Graybill seconded the motion, motion carried.
6. President’s Report- John Bush-Introduction and welcome of New CO Government relations consultant from Denver. Christine Staberg is with Capstone Group- JD Bullington Government relations in New Mexico and Valerie Espinoza Public regulation Commission.
 - a. Reservation Report- John Bush
 - 42,453 in a par with last year’s performance
 - 12% ahead of 2017 performance
 - This year the normal color change which begins in early September did not occur until nearly the first of October. An early hard freeze on October 11th resulted in a much shorter and weaker color season than usual.
 - The Geology train sold out. Slightly ahead of the previous year
 - 4th of July train was up 22%
 - The Wildflower train carried 141 people compared to 77 in 2018, an increase of 83%
 - The Mariachi train was 204% ahead of last year
 - The September “Speakeasy” theme train out performed last year’s “Murder Mystery by 13%.”
 - b. Maintenance and Repair Report – John Bush- There were no service interruptions this season. John Matthew’s crew has been very busy this year.
 - Installed 3,968 tie so far this year. Plans to install an additional 1,532 this year
 - 4,350 tons of ballast has been distributed so far this year. He plans to distribute an additional 5,650 tons this year
 - Moved the west end of Osier siding to increase clearance between tracks
 - Widened the bank on the valley side of the main to facilitate safer unloading of passengers
 - Ties will be replaced on Ferguson trestle after the equipment is re-positioned
 - He expects to finish the capital upgrade program by the end of FY-2023.

In light of ridership this year and in recognition of the strong performance of our personnel in all departments a 3% bonus will be paid to all employees in good standing based on their earnings between 1/1/19 and 10/31/19. In 2020 there will be a general pay raise given to all employees.

- c. Tracks Across Borders Byway update– John Bush- There have been several changes in personnel. We are looking within the community of Chama. Completing and testing an oncell app to alert you.
 - d. Train Ops- Stathi Pappas- Doing things a little different this year with an upgrading training program. We are still working on our upgrading program. In the process of revamping our rule book and timetable. Thank you to the Team.
 - e. Historic Car- Stathi Pappas- Project is now running two crews. One focused on the grant supported coach #256 and the other working on RPO #65 funded from the HPA fund. Both of these cars should be completed in time for opening day 2020. H&RG #168 has been completed on time and on budget. On October 14, 2019 Locomotive #168, restored coach #292 and cabooses #0579 were operated on successful test trip to Lava and return. Invited guests from Parks & Recreation from Colorado Springs and members of the Fund-raising team were also present. The Locomotive performed remarkably well.
7. Financial Manager Report-
- a. Financial Report – Ed Beaudette- September year to date it was down. The good news is October turned out to be a good month.
 - Suggested Allocation- The proposed Allocation before you divides the various capital that was appropriated in both States. In categories for Locomotive, track, car work program and historic work program. Invite anyone to move to accept or deny. Commissioner Lock Moves to accept the proposed Allocation, Commissioner Graybill seconded the proposal, proposal accepted unanimously. Mr. Graybill clarified that is item 10. (a) on the agenda. On October 17th the request for \$ 1,100,000 in capital improvement funding was made to the New Mexico Department of Finance and Administration. Commissioners Elbrock and Lock were in attendance. The presentation was well received by DFA. The Governor has until noon on March 11, 2020 to sign or veto the legislation.
8. Commissioner Reports
- a. Chairman Report – Dan Love/capital projects- Capital projects are part of our future. Once we achieve the upgrade program by the end of 2023, we will be in a position to be self-sustaining. It is a huge undertaking that each of us are taking.
 - b. Vice Chairman Report- William Lock/finance- Ed has covered the finances very well. Bill attended two hearing in Santa Fe., with the help of JD Bullington.
 - c. Secretary Report – Mark Graybill/marketing liaison- Two things to mention. The first is, we decided to do an employee survey, and we got feedback. We want to commend the management and staff. We have approached this in a very positive manner. Communication is very critical. We hope that the staff feels that they do have a voice. We are using Launch Marketing again. This upcoming season. In general, we have had a lot of success with Launch. A plan is in place for 2020. Ad placements have been made.

- d. Treasurer Report – Billy Elbrock/local affairs-Renaming of the Clock tower, turned out very good. Kim has worked very hard with both communities. Working hard on Christmas trains. Valerie Espinoza spoke in behalf, and is very impressed. And is here as a friend.
9. Friends of C&TSRR Report – Tim Tennant- The Locomotive photo charter on August 3rd was a real success. Friends just concluded our fall board of Directors Meeting and Banquet. Rich Muth has taken over the role as Docent Manager. The friends were recognized for our sponsorship of the Railroading Merit Badge by the Great Southwest Council to bring several Troops to Chama to engage in work sessions. 37 Friends worked on the Rotary OY restoration project.
- a. General info
10. New Business*
- a. Capital Allocation-Commissioner Lock Moves to accept the proposed Allocation, Commissioner Graybill seconded the proposal, proposal accepted unanimously
- b. Motion to change check signing process- Proposed Motion to change internal Accounting Control Policies and Procedures Modification- I, Commissioner Lock move that sections 3b and 3c of the internal Accounting Control Policies and Procedures (August 28, 2015) be modified to provide for normal check signing to be done by facsimile signature and that the CFO or designation member of the financial staff will review and initial all checks prior to disbursement. A copy of the check register for each account will be provided to a designated Commissioner for each check run. Commissioner Graybill seconded the motion, motion approved unanimously.
- c. Adjust JD Bullington Contract-Commissioner Elbrock Moves to adjust payment, Commissioner Lock seconded, carried unanimously.
- d. Frank Talamante purchase of Railroad property- Commissioner Lock- no action taken.
- e. Move to approve Commission officers and Slate assignments for November 2019 to October 2020.- Commissioner Graybill suggest to keep the same, Commissioner Elbrock moves to accept, Commissioner Lock seconded, carried unanimously.

11. Adjourned at 11:05



Dan Love, Chairman

FY 18-19 CTO Expense Budget Adjustment Resolution

I move to approve the proposed FY 18-19 CTO Expense Budget Adjustment Resolution as presented in the attached document.

Cumbres Toltec Operating, LLC
Budget Adjustment Resolution
FY 2018-2019

| Expenses | Forecast | Proposal |
|--------------------------------|------------------------|------------------------|
| 62000 Payroll Expenses | 1,749,742.66 | 1,750,000.00 |
| 62700 Insurance | 100,615.21 | 133,500.00 |
| 63000 Operation Exp | 1,191,993.51 | 1,250,000.00 |
| 63800 Other Misc Service Cost | 16,812.09 | 175,000.00 |
| 64000 Supplies & Services | 273,509.43 | 285,000.00 |
| 66010 Professional Fees | 20,660.20 | 22,500.00 |
| 68000 General & Administrative | 213,579.14 | 220,500.00 |
| 71010 Advertising & Marketing | 695,980.73 | 750,000.00 |
| 76200 Utilities | 151,898.79 | 155,000.00 |
| 76300 Travel and Meetings | 17,767.77 | 18,500.00 |
| 77000 Training | -298.00 | 1,500.00 |
| Total Expenses | \$ 4,428,490.44 | \$ 4,761,500.00 |

Thursday, 2 May 2019

FY 19-20 CTO Budget

I move to approve the FY 19-20 CTO proposed budget as presented in the attached document.

FY 19-20 Commission Budget

I move to approve the FY 19-20 Commission proposed budget as presented in the attached document.