

Cumbres & Toltec Scenic Railroad Commission
Minutes of the Regular Meeting, February 23, 2023
9:00am

Location of Meeting:

Antonito Town Hall
515 River Street
Antonito, Colorado

Present at Meeting: Commissioner Bill Lock, Commissioner Mark Graybill, Commissioner Billy Elbrock, Commissioner Scott Gibbs

The regular meeting of the Commission of the Cumbres and Toltec Scenic Railroad was called to order at 9:00am on February 25, 2023, by Chairman Billy Elbrock

Approval of Agenda: The agenda for the meeting was distributed. Commissioner Graybill requested moving the Executive Session to before Item 14. Motion to approve as amended: Commissioner Gibbs, seconded by Commissioner Graybill. Approved 4/0

Approval of Minutes from Quarterly Commission Meeting on November 12, 2022: The minutes of the November 12, 2022, meeting were reviewed. Motion to approve: Commissioner Lock, seconded by Commissioner Gibbs. Approved 4/0

Approval of Minutes from Special Commission Meeting on January 30, 2023: The minutes of the January 30, 2023 meeting were reviewed. Motion to approve: Commissioner Lock, seconded by Commissioner Gibbs. Approved 4/0

Presidents Report: Attached as Addendum A

Superintendent's Report: Attached as Addendum B

Maintenance and Repair and Historic Car Report: Attached as Addendum B

Financial Report: Attached as Addendum C

Marketing Report: Attached as Addendum D

Commission Reports:

1. **Chairman Report, Commissioner Elbrock, Local Affairs:** Fielding questions about opening day, deferred to Kim Smith Casford to report
2. **Vice Chairman Report, Commissioner Gibbs, Capital Projects:** Infrastructure improvement plan needs to move forward to identify Capital needs
3. **Secretary Report, Commissioner Lock, Finance:** happy with current finances, deferred to Alysia Martinez, Chief Financial Officer's report
4. **Treasurer Report, Commissioner Graybill, Marketing:** deferred to Abigail Martinez, Marketing Manager's report

Friends of the Cumbres & Toltec Scenic Railroad Report: Attached as Addendum E

Executive Session: Motion to enter Executive Session at 9:57am made by Commissioner Lock, seconded by Commissioner Graybill. Graybill: Yes, Gibbs: Yes, Elbrock: Yes, Lock: Yes. Motion passed unanimously. The Commission reconvened out of Executive Session at 10:22am. Motion to reconvene: Commissioner Lock, seconded by Commissioner Gibbs. Graybill: Yes, Gibbs: Yes, Elbrock: Yes, Lock: Yes. Motion passed unanimously. **Chairman Elbrock stated that no decisions were made, nor any action taken during the Executive Session and that there was no need to take action following Executive Session.**

New Business:

- a. **Motion to Approve** additional \$1500 payment to John Bush for Locomotive 223 Assessment, made by Commission Lock, seconded by Commissioner Gibbs. Graybill: Yes, Lock: Yes, Elbrock: Yes, Gibbs: Yes. Motion passed unanimously.
- b. **Motion to Approve** Resolution 2023-001: A Resolution to Approve the Cumbres & Toltec Strategic Plan Calendar Years 2023-2027, made by Commissioner Lock, seconded by Commissioner Graybill. Graybill: Yes, Gibbs: Yes, Elbrock: Yes, Lock: Yes. Motion passed unanimously.
- c. **Motion to Approve** Resolution 2023-002: A Resolution to Purchase Real Property: Lot # Block 5, Tierra del Parque Subdivision, made by Commission Lock, seconded by Commissioner Gibbs. Graybill: Yes, Gibbs: Yes, Elbrock: Yes, Lock, Yes. Motion passed unanimously.
- d. **Motion to Approve** Resolution 2023-003: A Resolution to Purchase Real Property: 888 N State Hwy 17 made by Commission Lock, seconded by Commissioner Gibbs. Graybill: Yes, Gibbs: Yes, Elbrock: Yes, Lock: Yes. Motion passed unanimously.

Old Business: None

Public Comment: John Bush gave an update on the status of Locomotive 223 and TABB

Motion to adjourn made by Commissioner Gibbs, seconded by Commissioner Graybill. Approved 4/0. Meeting adjourned at 10:30am

The next meeting will be held on Saturday, May 20, at 9am, Chama, New Mexico, location to be determined.


Kim Smith Casford, Secretary

2.25.23 President's Report to the Cumbres & Toltec Scenic Railroad Commission:

Scheduled trains 216/216 will begin running June 3 through October 21. Special trains to run are: Memorial Day, Chama-Cumbres-Chama train departing 1:00. Out of Antonito a 315 powered train will leave Saturday, Sunday, 168 will pull a train. Those trains are available on the reservation system now, with a discount for riding both trains. Those trains depart 10:00. Opening day ceremonies will be done in Antonito then Chama, so people can attend both. A re-dedication of Osier will be done June 3 at Osier, as it reopens for service. For the National Narrow-Gauge Convention (Denver, August 30 until September 2), the Friends will run two photo charters. August 28 will have engine 168 pull the historic passenger cars. August 29 will have engine 315 pull a freight special. On July 29, the Friends will have their annual wine and dinner train. This year will see two geology trains, June 11 & September 10. The Galloping Goose 5 will run September 26 through October 1. This details the special trains known at this time. More may be scheduled later. Recovering from the Osier fire has been quite a challenge. More details will appear in this report about that later. Last year saw difficulty in getting coal from King Coal in Hesperus CO. They had a cave in, that resulted in getting shut off from the coal supply. The RR gained a coal supplier from West Elk Mine in Somerset CO. It is much more expensive than the King Coal. The West Elk coal results in much less ash than the King Coal. The RR will continue using both sources. King Coal has seen a much increased need to supply cement (their parent company's business), they send the coal to themselves first. 2023 reservations are running 44% ahead of 2022.

Locomotive status report. 168 needs a cylinder saddle repair, using the metal stitch method. Its FRA inspection is scheduled for the week of March 20. 463 will also be inspected that same week. 484 annual inspection is complete, it is ready for service. 487 has had the lower 18 inches of its firebox removed. There was some evidence of star cracking. After doing a mag particle inspection, the damage was significant. After doing an ultrasonic, the side sheets were found to be very thin. 487 is also being converted to burn oil. A new riveted cistern tender has been fabricated in Farmington. It will be received in the next few weeks. Much work is going into this locomotive. Engine 488 has seen its 5-year flexible stay bolt inspection completed. Its FRA inspection will be done with 168 & 463. This engine is also to see a new riveted tender cistern. 489 is getting extensive running gear work done. A new firepan will be installed, based on the D&S design. The existing firepan failed on the last day of last season (which is the reason that trip was canceled). Also, to be installed is a closed oil heating system in the oil tank, replacing the temporary system used last year. 492, all the appliances are being sourced. The RR is searching out all the firms required to supply or build the parts needed. A stumbling block is side rods, main rods, and valve gear parts. In working with the D&S, they have been replacing all of the rods on all of their fleet, due to a failure in Silverton a few years back. A set of rods has been purchased through the D&S for 492. When it comes out, it will have a new set of side rods, main rods, and valve gear parts. It is planned to keep it a coal burner. There is no desire to cannibalize 497 to restore 492. 497's tender will probably be used for 492. The D&S provided much of the expendable parts that go into the firebox. Grates, grate bearers for both K-36 & K-37 were purchased from the D&S as new or used parts at quite a bargain. Part of the plan to convert 487 & 489 to oil, is to maintain a coal fleet as well. Working with the insurance companies has been interesting. The RR has been working with the various government agencies, as well as with the two state owners. The NM legislative side was pushing for everything to be converted to oil. The head of the LFC was really pushing for oil (after last season's fire season). The RR has pointed out that they could manage to safely use coal. Finally, locomotive 315 (owned by the DRHS). All boiler work is complete (quite extensive). A new flanged rear tube sheet was fabricated, a new flat

front sheet. The RR with Steve Butlers help actually flanged that sheet and welded it. Steam test was completed on January 4, 2023. The boiler lagging and jacket are installed. The drivers and driver boxes have been installed. The engineer's side cylinder has been re-sleeved and reassembled. This week should see the engine re-timed and putting the rods back on. The DRHS had the dynamo and hydro-static lubricator rebuilt. The piping and air tubing has been reinstalled. 315 is expected to be fired up very soon.

It appears that NM appropriations for Capital and Commission funding are moving along. The RR expects to see what they got last year. Same with CO. The funding requested to stabilize the Chama roundhouse seems to have vanished in the legislative process. It seems the \$750,000 to replace broken beams and other stuff looks to be diverted to someone else. One of the interesting topics discussed with both legislatures is the diversity of the RR. They have been impressed how the RR reflects the communities it serves, and how the management team reflects the local communities. The economic impact update provided has been invaluable. The \$17.4 million in the five-county region is something they know about. Base pay for the RR employees has been increased to \$17 per hour. That gets the RR to be competitive with Pagosa Springs, Alamosa and the area in general. A few weeks ago, they started a Trinidad State College scholarship. Marvin Casias and Kim Garcia got this program kicked off and in place. Two scholarships are available. One for a NM student, and one for CO, up at Trinidad State in Alamosa. This could develop a pipeline of skilled students to the RR. This could be used to recruit local students with fabrication skills as needed by the RR. It comes with an internship for the students awarded the scholarship. There was a very successful job fair in Chama. One will also be held in the SLV. The Chama job fair resulted in several new hires. There will also be several more to join the RR during the season. Locomotive availability revolves around the issue with the fireman/engineer schools. At this time there are only two K-36 coal burners, and trains 215 & 216 are priority, there is not much flexibility left to run the schools. No schools will operate this year. There is a desire to run them in the future. Costs of the schools have been compared to other like schools in the country. The C&Ts offered an extreme bargain. The Nevada Northern charges as much for a 28-mile trip as the C&Ts did for its four-day course. CTO accomplishments include developing a strategic plan for the CTO. A car storage shed and shop in Antonito are under construction to get the historic car fleet under cover. The 1472 inspection for engine 315. Management development and training program is underway, getting the management together once a month to invest in the team that runs the RR. There are many changes to the employment policies due to statutory changes in both states. There have been substantial changes in sick leave and paid time off, and various benefit packages. The Secure act two, on the federal level has put requirements on the RR retirement program. The Osier water situation has been re-categorized as ground water under the influence of surface water. That changed all the requirements for water monitoring and water treatment at Osier. A water treatment plant will be taken up there this spring. Installed costs are expected to be about \$140,000. This will then comply with all the CO drinking water standards. The Florence & Cripple Creek combine that sat in Antonito for years is now in California. It is planned to be restored, to join the other F&CC cars. That car shipped out last spring, in one piece, and arrived that way as well. It was asked by commissioner Elbrock if the new water treatment plant at Osier will end the need for daily sampling. Scott replied that the system will do continuous sampling, relaying results via Starlink internet to Chama/Antonito to satisfy the state reporting requirements.

As transcribed by Sam Seiber

2.25.23 Superintendent's Report to the Cumbres & Toltec Scenic Railroad Commission:

Permits as required are being worked on. A permit is required to open the road to Osier. The forest service is OK with how the RR wants to open the road. A snow blower will be used as it is easier on the road than a front loader with a bucket. Equipment needed should arrive early April and be available April 20. The lease of the equipment is for a month at around \$25,000. Tire chains are not included and must be purchased by the RR. The first day of use is when the lease begins. Unused time will be refunded. The goal is to get the road open by the first of May, so the Osier dining hall work can be completed. There are some painting contractors that need to get in there as soon as they can. About the time the road to Osier begins, the work to clear the entire track will begin. It is hoped that the RR will be open to Osier at the same time as the road to Osier is available, providing two ways to get to Osier. Ten passenger cars have been painted. Getting the required paint has been difficult. For two weeks, without paint, the crew could just prep. The paint has arrived, so the painting should be complete on time, May 10. After that date, it is desired to bring in the crews for training. There is a lot of training required for the crew that is new to the RR. Employee callback notices have gone out, and replies are coming in.

As transcribed by Sam Seiber

2.23.25 Maintenance and Repair & Historic Car Report to the Cumbres & Toltec Scenic Railroad Commission:

The building for the historic car fleet is having problems. As digging is performed, cave ins are an issue. A different method needs to be established. There needs to be an electrical upgrade in the car shop. Breakers are tripping too often. Upgrades should get underway next week, which include water. All of the lighting in the shop will be converted to LED. That should reduce operational costs of lighting. The upgrades are hoped to be done by season open. Work on Pay car F continues. A couple of guys have been hired to help on the work. Sheet metal work for the roof is soon to begin. Track work is waiting for materials required for various projects. Case reported that the excavator and its attachments will arrive next Monday. Case will provide an employee to train the RR on using the equipment, and how to connect the various hydraulics. Several RR employees will be trained on the new equipment. A (as I understand it, refurbished) back hoe is being assembled in Colorado Springs. In the next few weeks, it should arrive with its attachments. (This equipment is for use by the track crew. It was asked by commissioner Graybill what the equipment comes with. The excavator will have various digging tools, as well as a mulcher. The mulcher will be very helpful in clearing lineside brush, thus reducing fire hazards. The backhoe will have tamping tools on it. This will reduce the physical labor currently required by track crew. This may also help in gaining track crew, as the physical labor required is much reduced. Also on the backhoe will be a tie inserter (work done by hand currently). Commissioner Lock asked if the roof of Pay Car F will be done by the same person that did the other cars. Yes, was the answer. Commissioner Graybill mentioned that the new equipment should increase productivity. Marvin mentioned that his team is getting older, the new equipment will really help. His current track crew has a lot of knowledge, and it is important to keep them healthy. Commissioner Graybill thanked the teams of Chama and Antonito for the fine work done over the off season. He pointed out how great the ten already painted passenger cars look. The new steel siding looks nice. Commissioner Lock asked if diesel engine 15 has seen any work. No work on 15 has yet been done due to Antonito weather. It must be worked on outside, as all of the inside space is occupied. The new traction motors and radiator are on hand for 15.

As transcribed by Sam Seiber



Finance Report

Alysia Martinez

Summary:

Attached are the fiscal year-to-date financial statements (Unaudited and used for internal use only.) Within the report, I will be discussing the current activity for each fund. The overall activity for the year-to-date totals is relatively where we expect it to be. Included are Profit & Loss reports along with Balance Sheet reports for Commission, HPA, and CTO and a Capital Summary. HPA reflects little to no activity. P&L summaries for Commission and CTO include previous year-to-date comparisons along with overall budgets. Please see below for additional comments regarding each fund.

Historic Preservation Association, LLC

The Profit and Loss YTD Comparison for HPA for the ytd totals will reflect the Historic Preservation fee from Operational Revenue. The P&L shows the recurring monthly interest income. The expenses include the Management Liability Insurance.

The Balance Sheet for HPA for ytd shows little activity.

Commission

The Profit and Loss Budget Vs. Actual for the Commission fund is expected to be where it is for the ytd. Expenses for the Commission are over budget for the ytd totals and a BAR will need to be submitted, I will work with the team on this. We see an increase in expenses for the following:

- Supplies & Services
- Professional Fees
- G&A
- Utilities

The Balance Sheet for Commission remains strong for ytd totals. Insurance schedules are on the BS so the liability on the balance sheet is decreasing as we expense the insurance on a monthly basis. We have additional coverage for

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property and liability, so we do see an increase in our insurance expenditures for the Commission.

Cumbres Toltec Operating, LLC.

The Profit and Loss Budget Vs. Actual for CTO for YTD our income is \$4.588(includes ticket revenue from 2022 season). Expenses for YTD totals are over budget and a BAR will need to be submitted as well. The following expenses are over budget:

- Payroll Expenses
- Operation Expenses
- Professional Fees
- G&A
- Advertising & Marketing
- Utilities

The Balance Sheet for CTO, total assets have increased from prior year, we see an increase in total current assets, insurance premiums have increased for prepaid insurances, due from other funds have increased as well. Total liabilities have decreased from prior year and so has the total equity.

Capital

The Balance Sheet for Capital is showing the usual deprecation schedules.

Profit and Loss by Class for Capital is busy as usual for this time of year, locomotive rehab is busy, as well as passenger car rehab, and Pay Car F. Attached, please find the Capital Billing Summary for Capital Projects. Currently, we are pending reimbursement from the State of Colorado in the amount of \$1.112M. New Mexico will be billed as soon as it can be notarized in New Mexico in the amount of \$449K.

Payroll Update:

As of the beginning of the year, the payroll transition to ADP was successful, unfortunately we are still trying to resolve some issues. The integration/syncing with Quickbooks was not successful. Since we have many adjustments that need to be made in my department due to Capital allocations, this will continue to be

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manual via worksheets. GL for accounting to allocate time is a work in progress for myself and the team.

Other:

I have been working with Ed the past couple of weeks to ensure that the billings to New Mexico and Colorado are being done.

Accounts Payable is still open and the work is being done by myself and accounts receivable. I am hoping to get someone in before the season starts.

On a quarterly basis, I am working to update the PBC list for the audit for FY 2023 to ensure we have all that needs to be provided by C&T Commission for an early start on the audit.

Alysia Martinez



CUMBRES & TOLTEC SCENIC RAILROAD
February 25, 2023, MARKETING CTO REPORT
 Prepared February 21, 2023, by Abigail Martinez (Marketing Manager)

EMAIL CAMPAIGN

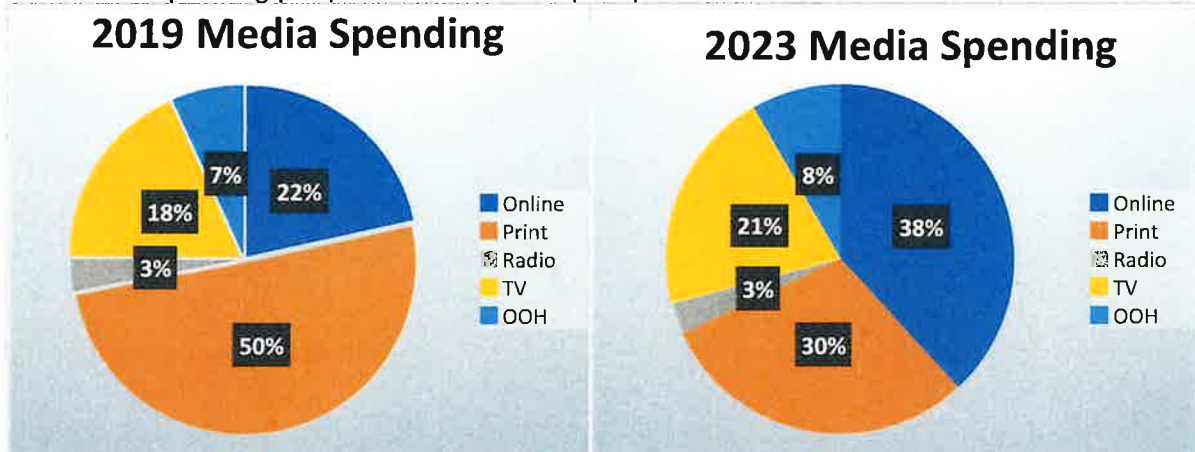
Email Blast	Sent	Open Rate	Click Rate
315 & 168 Season Opener	53,332	30%	1%

MEDIA PLANNING AND BUYING

For the 2023 season I have made two modifications to the overall marketing plan.

- Addition of more digital advertising.
 - Many publications are providing more of this on their website. We are placing more banner ads that run on site that can easily be changed and messaged differently throughout the season.
- Earlier advertising.
 - The thought behind this is to get out in front of people early so they can plan their vacation with us, and to shift more advertising in our slow time of August and not as much during our busy time in the Fall.

C&T Media spending pre-pandemic 2019 vs. post pandemic 2023



We have shifted 17% of our spending to online with print coming down accordingly to accommodate this change. Our spending percentages for radio, TV and out-of-home have remained about the same.

2023 BROCHURE

Our 2023 brochures will arrive in house late this week. They are three-panel brochures and include pricing and descriptions of each class of service. Brochures distribution will begin to local businesses once they arrive.

PUBLIC RELATIONS/SOCIAL MEDIA OVERVIEW January 21 –February 20, 2023

PR

Between January 21 and February 20, 2023, there were **105 known media stories** that included mention of the C&TSRR. The majority of these were from a [KRQE story](#) that was picked up in markets across the U.S. The story was about the state of New Mexico considering Green Chile as the “official state aroma” and included a slide show of other New Mexico state symbols, including the C&TSRR as the state’s historical railroad. In addition, KRQE ran a story, [“Texas man living his dream conducting the Cumbres & Toltec Scenic Railroad.”](#) about Conductor David Weston that ran as a result of our social media profile of David and weekend takeover featuring his photos/videos.

SOCIAL MEDIA

As of February 20, 2023, we have **60,808 Facebook followers** and **1,860 Instagram followers**.

Our most popular Facebook and Instagram posts were posts/reels by our ‘Featured Rail Photographer’ David Weston. One of his videos of Windy Point had impressions of 425K on Facebook!

Facebook



Social Takeover by David Weston,
"Windy Point is a favorite spot for



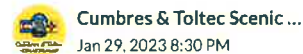
Clicks	Reactions	Comments
413243	11894	132
Shares	Reach	Impressions
725	4094606	4242649



Social Takeover by David Weston,
"Rancho de Oso Pardo. land of the



Clicks	Reactions	Comments
91256	6198	107
Shares	Reach	Impressions
419	300355	306928



Social Takeover by David Weston,
"We go through the mountains. not



Clicks	Reactions	Comments
58592	3310	70
Shares	Reach	Impressions
315	1591512	1620364

MARKETING 2

Addendum D

Instagram



Cumbres Toltec Scenic Ra...
Jan 30, 2023 5:28 PM

Social Takeover by David Weston,
"1940 or 2018? It is hard to tell out



Likes	Comments	Saves
336	4	48
Views	Impressions	Reach
1288	3206	2980



Cumbres Toltec Scenic Ra...
Jan 29, 2023 12:01 PM

Social Takeover by David Weston,
"Windy Point is a favorite spot for



Likes	Comments	Saves
304	0	43
Views	Impressions	Reach
970	1910	1760



Cumbres Toltec Scenic Ra...
Feb 11, 2023 12:16 PM

Love this reel from @trainchasers...
• 1883 built Denver & Rio Grande



Likes	Comments	Saves
284	1	36
Shares	Plays	Reach
15	3479	3269

WEBSITE

Website performance metrics for the month of January were up in comparison to December. This overall is a good sign that we have an uptick in people looking at our website and ultimately are booking a trip with us this season.

Users
19.1K
↑ 6.11%

Sessions
23.0K
↑ 7.6%

Bounce Rate
54.2%
↓ 2.9%

Average Session Duration
00:02:22
↑ 11.4%



Report to the Cumbres & Toltec Scenic Railroad Commission

Date: February 25, 2023

Please accept this report as presented at the C&TS Railroad Commission meeting in Antonio on Saturday February 25, 2023.

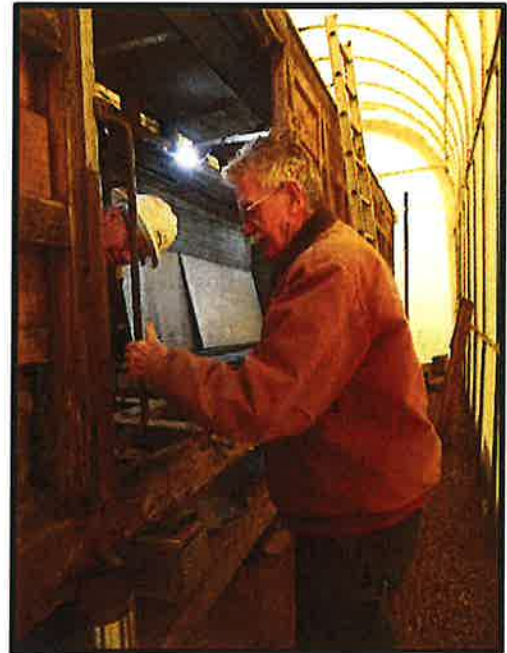
- The Friends Spring Banquet is coming up on Friday March 17th at the Holiday Inn & Suites, 5050 Jefferson Street NE, Albuquerque. This location is just off Interstate 25 at the Jefferson Exit. Cocktails at 6pm with Dinner at 7pm. Cost is \$67/person. Our Spring Board Meeting is on Saturday March 18th.
- The tickets for the August pre-Narrow Gauge Convention photo charters are selling well after we e-blasted information. We have over 60% of the seats for the two days sold. We appreciate that the railroad placed the information on their web site as well. Also, a reminder that collectively the Friends and C&TS have space reserved at the Convention in Denver which runs from August 30 thru September 2. The Convention's website has our charters listed under activities.
- The Friends Moonlight & Wine Train is scheduled for Saturday July 29th running out of Chama at 5pm to Osier and return.
- I'm sorry to pass along that long time Friends member Geoff Gordon passed away on February 13th in Albuquerque. Geoff was on the Friends Board at one time as well as the RGRPC Board. Geoff was an active site leader during work sessions and they had a home in Chama. I have spoken with Nancy, but we are not aware of an arrangements yet for Geoff.
- The Friends continue to bring in new members through the Classic TRAINS solicitation we mailed out last fall. We have brought in 169 new members via this mailing and will undertake another solicitation this year.
- We received the railroad's 2023 brochure so thank you. We'll use them at upcoming train shows plus send out with membership renewals and other correspondence back to our members.

Work Session Schedule-2023

Here are the dates again for the Friends work sessions during 2023. Due to a shortage of support workers, we will not hold sessions in both locations during the same week.

Session A – May 20 thru 24	Antonito
Session B – May 27 thru 31	Antonito
Session C – June 17 thru 21	Chama
Session D – June 24 thru 28	Chama
Session E – July 29 thru August 2	Antonito
Session F – August 5 thru 19	Antonito
Session G – September 23 thru 27	Antonito

Colorado Springs-Express Baggage Car Project





These photos were taken on February 18, 2023 during a Saturday work session.

Respectfully submitted by Tim Tennant, President/CEO