

Cumbres & Toltec Scenic Railroad Commission
Minutes of the Regular Meeting November 2, 2024
9:00am

DRAFT MINUTES: Not Final until approved by the Commission

Location of Meeting:

Village of Chama Chamber
1512 State Road 17
Chama, NM

Present at Meeting: Commissioner Billy Elbrock, Commissioner Scott Gibbs, Commissioner Smith Casford, Commissioner Graybill.

The regular meeting of the Commission of the Cumbres and Toltec Scenic Railroad was called to order at 9:08am by Chairman Elbrock. A quorum was present.

Approval of Agenda: The agenda for the meeting was distributed. A motion was made by Commissioner Graybill to approve the agenda as presented. Seconded by Commissioner Gibbs. Approved 4/0.

Approval of Minutes from Regular Commission Meeting on August 10, 2024: The minutes of the August 10, 2024 Regular Commission Meeting were reviewed. A motion was made by Commissioner Smith Casford to approve the minutes from the August 10, 2024 meeting and, seconded by Commissioner Graybill. Approved 4/0.

Approval of Minutes from Special Commission Meeting on September 3, 2024: The minutes of the September 3, 2024 Special Commission Meeting were reviewed. A motion was made by Commissioner Graybill to approve the minutes from the September 3, 2024 meeting and seconded by Commissioner Smith Casford. Approved 4/0.

General Managers Report: Attached as Addendum A

Superintendent's Report: Attached as Addendum B

Financial Report: Attached as Addendum C

Marketing Report: Attached as Addendum D

Local Affairs Report: Attached as Addendum E

Capital Projects Report: Attached as Addendum F

Tracks Across Borders Byway Report: No report presented

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

Public Comments: Comments by Javier Vigil and Mayor Ernest Vigil

New Business:

- a. **Approve/Disapprove Resolution 2024-001: A Resolution to Adopt an Open Meeting Policy:**
Commissioner Gibbs made a motion to approve Resolutions 2024-001: A Resolution to

Adopt an Opening Meeting Policy and was seconded by Commissioner Graybill. Roll Call vote: Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0.

- b. Approve/Disapprove Resolution 2024-002: A Resolution to Amend Financial Documents to Reflect Current Commissioners/Chief Financial Officer:** Commissioner Smith Casford made a motion to approve Resolution 2024-002: A Resolution to Amend Financial Documents to reflect Current Commissioners/Chief Financial Officer and was seconded by Commissioner Graybill. Roll Call vote: Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0.
- c. Approve/Disapprove 2025 Assignment Officers:** A motion to approve the 2025 Assignment of Officers was made by Commissioner Graybill and was seconded by Commissioner Gibbs. Chairperson: Commissioner Elbrock, Vice-Chairperson: Commissioner Gibbs, Secretary: Commissioner Smith Casford, Treasurer: Commissioner Graybill. Roll Call vote: Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0.
- d. Approve/Disapprove 2025 Regular Meeting Dates:** A motion to approve the 2025 regular meeting dates was made by Commissioner Smith Casford and seconded by Commissioner Gibbs: February 8, May 3, August 2, November 1. Roll Call vote: Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0.

Old Business: none presented

Executive Session: A motion to enter Executive Session pursuant to the Commission's Policies and Practices 8.0, adopted May 20, 2023, regarding personnel matters at 10:08a by Commissioner Smith Casford, seconded by Commissioner Gibbs. Roll Call vote: Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0.

The Commission reconvened out of Executive Session at 10:38 am. A motion to reconvene was made by Commissioner Graybill and seconded by Commissioner Gibbs. Commissioner Gibbs: yes, Commissioner Smith Casford: yes, Commissioner Graybill: yes, Commissioner Elbrock: yes. Motion approved 4/0. **Chairman Elbrock stated that no decisions were made during the executive session.**

Actions following Executive Session: No action following the Executive Session was necessary.

Motion to adjourn made by Commissioner Smith Casford, seconded by Commissioner Graybill. Approved 4/0. Meeting adjourned at 10:39am.
The next regular meeting will be held on Saturday, February 8, 2025, at 9:00am, location to be determined.

Kim Smith Casford, Secretary

November 2.2024: General Manager's Report: Ed Beaudette

It was a good solid year. There were very few issues. They were handled very effectively. Interactions with the public went well. Marketing and passenger services increased the ridership this year. The RR is not yet where it was pre C-19. With the new momentum, it is hoped to return to those numbers. This is a tough business, being in the middle of nowhere. It is good that the RR did well this year, in a softer market. One of the biggest burdens the RR bears is the cost of insurance. This makes it very tough to show a positive NOI. The annual cycles of the legislative sessions of both states is coming up. It is important for each state to be aware of the needs of the RR and the capital expenditures required of it. There are two special projects that people are watching. One is the restoration of locomotive 492, a K-37. The last K-37 to run on the C&Ts was back in 2002, by #497. There are some donations out there to getting it back to service. At this time, there are several components being built for that locomotive. Steven Butler is now on as the lead to restoring that locomotive. In a few days, that locomotive will be picked up in Chama and moved to Monte Vista for work to begin. Work is expected to be about two years. This locomotive has never seen an FRA 230 process. With the assistance of the Chama and Antonito shops, work is expected to go well. The other project is the arrival of the White Pass locomotive #114. Getting that machine from Alaska to the C&Ts has been quite a process. It is a modern locomotive, compared to the two small road switchers already here. The first step in getting the 114 on property was to have it barged from AK to WA. It is being trucked from WA to Antonito. It is expected sometime next week, weather permitting. Scott Gibbs, Steven Butler and Marvin went to AK about a year ago and decided the RR needs it. This locomotive will be very useful in MOW work, so as not to require a steam locomotive. It can be used as a backup locomotive to haul a full train. When 114 arrives, it will be put onto its trucks (already in Antonito). Its controls will be updated to state of the art. It was a successful season, with relatively few problems. It was nice to have five locomotives under steam at the beginning of the season. This is due to a solid group of people that are passionate about what they are doing. Ed thanked everyone on the staff. They put in quite an effort this year.

As transcribed by Sam Seiber

November 2, 2024: Superintendent's Report: Marvin Casias

The season started pretty slow (passenger wise). Some days were slow, others more busy. There were very few delays, very few breakdowns. Operationally, the trains ran well. No one got hurt. No big issues. Over the last week, the equipment was winterized. Pre-winter work at Osier is complete. The equipment that is removed from Osier at the end of each season has been moved out. That equipment is ready to begin annual servicing. There are a couple of projects going on with the national forest. A few representatives of the forest service will be given a tour of the ROW. The RR will discuss what they want to do, so to receive permission from the forest service to do so. The RR has some ideas regarding fire mitigation. This year was good for fire mitigation, in part due to a wet summer. The Lava water tank was worked on this year, it should be operational next spring. The addition of a source of water along the line will be quite useful. Four to 4.5 miles of track have been re-ballasted, about 4,000 tons of rock. 3.5 miles of that track have been re-tamped and groomed. If weather permits, more rock will be moved in the near future. The next storm may prevent movement past Cumbres pass. A little more than a mile of ties have been installed, between mile markers 320 and 321.3. Tie work will continue on the east end, at lower elevations. The bridge inspection (from Martin and Martin) is complete as of two weeks ago. Marvin is waiting for the report to come back. That will determine future work required. Equipment is being moved into Long Creek. One of the two culverts will be dammed off to prevent further damage. (Ed. In a previous commission meeting, it was revealed that the culverts at Long Creek need some major work). Commissioner Graybill mentioned that a lot of track work got done this year. Marvin reported that there some pretty good crews out there working. It was asked how many of the track crew will move over to the shop over the winter. Four guys move over. A new guy, that has worked as night watchman as well as track may be talked into working in the shop over the winter. He would be a great addition. This person came from a background in medical prosthetics. He has ideas on how to do things. Commissioner Gibbs thanked Marvin for a very safe season. Marvin mentioned that the crews in the last two months went above and beyond. Some of the guys complained, yet they were the first ones in the next day to work.

As transcribed by Sam Seiber

November 2.2024: Financial Report: Alysia Martinez

The FY ended June 30, 2024. The busiest part of the year just concluded. Thus the following reflects the first three months of the new FY. Now the operational season has ended, the capital spending really gets underway. So the capital pots of money will be drawn down, Capital Colorado and ARPA. Work is being done with the new ADP payroll system to be sure that all of the G/L codes are being mapped correctly to Quickbooks. Accounts payable will begin transitioning with the department capital managers in transitioning from CTO expenses into Capital. After fishing through the Fare Harbor data, the RR is doing further reconciliation with FH. It takes a bit of work when moving over to a new ticketing system. There is an increase this first quarter of the FY over last of 13% for HPA. This is due to operating revenue. The increase in ridership added to HPA and CTO this year. Those two entities cover the operational activity. There is also an increase of NOI over last year. The commission P&L reflects our insurance and salaries. Expenses have decreased from the prior year, there is an increase in payroll insurance. There was a decrease in professional fees. The commission sheet is currently quiet. Funds from Colorado should be received shortly after sending out the invoice to History Colorado. NM funds have been received. NM capital funds are being drawn down. CO funding for fire mitigation has been gained. In reviewing the P&L for CTO, expenses have decreased about 4.5% in the first 4 months of the FY. This is due to a decrease in payroll expenses of about 22%, G&A of about 50%, and utilities of about 23%. The net income is up 10% over last year, quarter one. There is an increase in cash, primarily due to ticket sales. Analysis is being done on the extra trains to determine how profitable they are to run. Commissioner Graybill thanked Elysia for doing the Analysis. That should be quite valueable.

As transcribed by Sam Seiber

November 2.2024: Marketing Report: Ed Beaudette(in Abigail Martinez absence)

Years ago, most people would book their tickets months in advance. Today, with most people having a smart device in hand, last minute decisions can be made. Parlor cars do sell fairly well in advance. Seats there are limited, thus people book them early. On the other hand, coach seats are normally available with short notice. Premium seating sells first, then coach seats sell when the travel date is close. Comparing the two big online services, Facebook vs. Instagram see two different demographics. Instagram draws the younger users, Facebook the older users. This will have an influence on future marketing efforts. The regular season ended a few weeks ago. The week following the season saw a week of charter trains. Very shortly, the Christmas season will arrive. Chama will see the first weekend of service. It will be expanded into the week to provide special trains for the local schools. The same format will follow a week later for Antonito. The special school trains give the RR an opportunity to expose the RR to people not familiar with the C&Ts. It is a short holiday season this year as Thanksgiving arrives later. Last season, just over 30,000 passengers rode. While the final numbers are not in, it looks like this year saw 34,500 passengers. About a 14% increase. The marketing effort is bringing people to the area. Commissioner Graybill said that to be up 14% is phenomenal. The tourism industry in general has seen a softer season this year. Most RR's he talked to were down 10%-20%. A great effort by the RR staff. The upcoming Christmas trains will bump the number as well. Ed reported that last year, the Santa trains serviced just under 3,000. It is hoped the Santa trains will also see an increase this year. Group travel was up measurably this year. It has been a trend for a couple of years. This looks like a segment that can be used to build for the future. Ticket sales for the core product should be ready to sell by the end of November. Once special train sales over the year have been analyzed, some of those products will be available for sale. The special trains tend to be more of an impulse.

As transcribed by Sam Seiber

November 2.2024: Community Affairs Report: Commissioner Smith Casford

Commissioner Smith-Casford reports she got no complaints. The lodging operators reported a significant increase in occupancy. Commissioner Elbrock also reported no complaints. His business was down in August, but up in September tremendously. Kim thanked the communities for their support. She and her team went to a restaurant earlier this year, and a hotel owner followed her in, and picked up the tab in thanks.

As transcribed by Sam Seiber

November 2.2024: Capital Projects Report: Commissioner Gibbs

Ed already mentioned 492 & 114 rather thoroughly. Having 492 worked on offsite keeps shop space open of the other locomotives. Lava tank has been rehabilitated. That has been a long time coming. The tenders of the smaller locomotives can be filled much more quickly at that location. It is also nice to have some backup water available on the line. Avry, Max & Marvin will be busy with running gear work on 463 and 489 over the winter. That should put them in good shape for next year.

As transcribed by Sam Seiber

November 2, 2024 Friends of the CTSRR Report: Tim Tennant

While not on the report provided to the commissioners, Rich Muth had a report on the docent activity for the season. There were 27 different docents, 4 were women. 283 rides were covered, 2547 hours. The coordinators put in 630 hours, managing, scheduling. Off season the coordinators put in 300 hours. Quite a work effort from the docent group. Board meetings were wrapped up last week in CS. Kim & Rich Casford, thanks for being at the banquet. This could possibly be the last meeting that Tim reports in his current capacity, depending on how the search goes for his successor. We might see him in the first quarter. He will work with the transition team. He reports being glad to work 20 years with the RR and the commission. Tim then moved on to report on the web cams in the Chama yard. There are two cameras on the coal tipple. One points south, the other north. In September, there were over 13,000 viewers. The depot camera saw nearly 20,000 viewers. Full details were provided to the commissioners in their packet. Work performed this year in the work details was provided to the commission. The car inspectors' house on Cumbres was one project, as well as the buildings at Sublette. MW02, RPO 54 being stripped and repainted. 2025 work session dates and details were in his report to the commission. (Ed. The official meeting minutes MIGHT have these details. Link at top of this document). The express bag 163 car in CS was being worked on as the meeting was being held. Tim reported that he attached a couple of other pages. The 50th anniversary edition of Railfan & Railroad magazine just came out. It has a blurb about 487 being converted to oil. The Friends had an ad on page 21, trying to recruit new members. Tim then handed the commission comments of an e-mail blast the Friends send out every month (not yet sent to Friends members). This blast contains breaking news that occurs between issues of the Dispatch. 492 was mentioned. Tim reports that they are holding a donation of \$100,000. This is an estate gift from Ron Burkhardt's father of WI. When needed, the commission just needs to ask, and a check will be on the way. Commissioner Gibbs wanted Tim to thank the folks that run the web cam. Earlier the DRHS had their tool trailer broken into. The cam didn't have enough detail to prosecute the perpetrators, but did help in identifying who did. Tim mentioned that there are funds in the camera category, and perhaps one could be installed in Antonito. It is worth the discussion. It is good free advertising for the RR. Commissioner Elbrock thanked Tim for his 20 years with the RR. Tim was given a lifetime pass to ride the train. It left Tim kind of tongue twisted. Tim said the gift was special. Working with all of the people over 1/3 of his life was special. Billy thanked him for the work the Friends have provided.

As transcribed by Sam Seiber(edit by KSC)



Cumbres & Toltec Scenic Railroad Commission

Resolution 2024-001

A Resolution to Adopt an Open Meeting Policy

WHEREAS, the Cumbres & Toltec Scenic Railroad Commission met in regular session at Chama, New Mexico on November 2, 2024 at 9am as required by law;

WHEREAS, it is the desire of the Commission to honor the intent of the New Mexico and Colorado Open Meetings Acts;

WHEREAS, any meeting subject to Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action shall be held only after reasonable notice to the public;

WHEREAS, The Commission is required to determine annually what constitutes reasonable notice of its public meetings and the Commission desires to establish its 2025 regular meeting schedule;

NOW, THEREFORE BE IT RESOLVED that:

1. Meetings shall be held at alternating locations, between New Mexico and Colorado, at 9am, or as indicated in the meeting notice.

2. Unless otherwise specified, regular meetings shall be held on February 8, May 3, August 2, and November 1, 2025. The meeting agendas will be available at least 72 hours prior to the meeting from the Commission, whose office is located at 5250 US Hwy 85, Antonito, Colorado, or the satellite office at 500 Terrace Ave, Chama, New Mexico. The agendas will also be posted at the United States Post Office in Antonito, Colorado and Chama, New Mexico and on the Commission's website at:

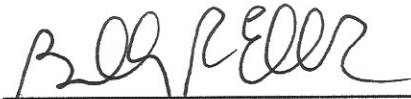
<http://commission.ctsrr.com>.

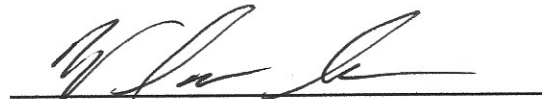
3. Special meetings may be called by the Chairman or a majority of the members of the Commission upon three days' notice. The notice shall include an agenda for the meeting OR information on how a copy of the agenda may be obtained. The agenda will be available at least seventy-two hours before the meeting and posted on the Commission's website at: <http://commission.ctsrr.com>.
4. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect health, safety, and property, or to protect the Commission from substantial financial loss. The Commission will avoid emergency meetings whenever possible. Emergency meetings may be called by the Chairman or a majority of the members with twenty-four hours' notice unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting OR information on how the public may obtain a copy of the agenda.
5. For the purposes of regular meetings described in Paragraph 2 of this resolution, notice requirements are met if the date, time and place and agenda is posted at the United States Post Office in Chama, New Mexico, and Antonito Colorado, and posted on the Commission's website at: <http://commission.ctsrr.com>.
6. For the purposes of special and emergency meetings described in Paragraph 3 & 4 of this resolution, notice requirements are met if the date, time and

place and agenda is posted at the United States Post Office in Chama, New Mexico and Antonito Colorado, and posted on the Commission's website at: <http://commission.ctsrr.com>.

7. The Commission may close a meeting to the public if the subject matter of such discussion or action is excepted from the Open Meeting Acts requirements, including but not limited to limited personnel matters, attorney-client privilege pertaining to threatening or pending litigation, and discussion of the purchase, acquisition or disposal of real property or water rights by the Commission. No action will be taken by the Commission in a closed session. The Commission may revise the order of the agenda items being considered.

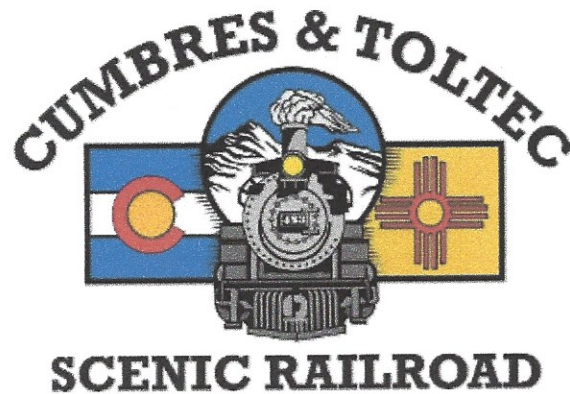
Passed by the Cumbres & Toltec Scenic Railroad Commission this 2nd day of November, 2024.


Billy R. Elbrock, Chairman


W. Scott Gibbs


Mark Graybill


Kim Smith Casford



Cumbres & Toltec Scenic Railroad Commission

Resolution 2024-002

A Resolution to Amend Financial Documents to Reflect Current
Commissioners/Chief Financial Officer

WHEREAS, the Cumbres & Toltec Scenic Railroad Commission currently utilizes the following banks in Colorado: 1st Southwest Bank, Alamosa State Bank, and Community Banks of Colorado;

WHEREAS, the Cumbres & Toltec Scenic Railroad Commission has undergone several gubernatorial appointment changes;

WHEREAS, it is the desire of the Cumbres & Toltec Scenic Railroad Commission to be compliant with listing of current Commissioners and Chief Financial Officer at these financial institutions;

NOW, THEREFORE BE IT RESOLVED that:


1. Former Commissioners Randy Randall, Peter Foster, Lucy Kay, Dan Love, Dick Cowles and William Lock's names are to be expunged from any and all financial documents and accounts at the named institutions, including but not limited to signature cards;

2. Current Commissioners, Billy R. Elbrock, W. Scott Gibbs, Mark Graybill and Kim Smith Casford be added to any and all financial documents and accounts, including but not limited to signature cards;
3. Former Chief Financial Officers Leo Schmidt, Mark Garcia and George Canham be expunged from any and all financial documents and accounts;
4. Current Chief Financial Officer Alysia J Martinez be added to all financial documents and accounts.

Passed by the Cumbres & Toltec Scenic Railroad Commission this 2nd day of November, 2024.



Billy R. Elbrock, Chairman



Mark Graybill



W. Scott Gibbs



Kim Smith Casford