

Cumbres & Toltec Scenic Railroad Commission
Minutes of the Special Meeting February 15, 2025
9:00am

Location of Meeting:

Via Zoom

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

Present at Meeting: Commissioner Billy Elbrock, Commissioner Scott Gibbs, Commissioner Smith Casford, Commissioner Graybill. Commissioner Elbrock determined 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 November 2, 2024: The minutes of the November 2, 2024 Regular Commission Meeting were distributed via email. A motion was made by Commissioner Graybill to approve the minutes from the November 2, 2024 meeting and, seconded by Commissioner Gibbs. Approved 4/0.

Superintendent's Report: Attached as Addendum A

Marketing Report: Attached as Addendum B

Financial Report: Attached as Addendum C

General Managers Report/Summary: Attached as Addendum D

Local Affairs Report: Attached as Addendum E

Capital Projects Report: Attached as Addendum F

Tracks Across Borders Byway Report: Attached as Addendum G

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

New Business: none presented

Old Business: none presented

Public Input: Comments and questions by John Bush and comments by Erin Mink, field representative for US Senator Michael Bennet

Executive Session: Chairman Elbrock announced there was no need for an Executive Session

Actions following Executive Session: no Executive Session

**Motion to adjourn made by Commissioner Graybill, seconded by Commissioner Smith Casford.
Approved 4/0. Meeting adjourned at 10:07 am.**

**The next regular meeting will be held on Saturday, May 3, 2025, at 9:00 am, Chama, New Mexico,
location to be determined.**

Kim Smith Casford, Secretary

2-14-2025 CTO REPORT

Passenger coach annuals have been completed

Work continues on interiors of parlor cars

Work continues on coach 526 interior almost done

Started sandblasting seats then paint and install

Took locomotive 19 from Antonito to Osier in preparing

For upcoming visit from brush cutting crews from

Markit forestry on preparing to start brush and tree
cutting along track ROW,

Bought telehandler as a multiuse piece of equipment

In our fire mitigation project and also several track and shop projects

One motor car has been narrowed for our tracks and added

To our fire patrol fleet while working on the 2nd

Will continue working on building up our fire suppression

Department looking for equipment such as brush truck and

And motor car with fire wagon cart which will be built in house

Marvin Casias

Antonito Shop



CUMBRES & TOLTEC SCENIC RAILROAD

February 15, 2025, MARKETING CTO REPORT

Prepared February 7, 2025, by Abigail Martinez (Marketing Manager)

EMAIL CAMPAIGN

Email Blast	Sent	Open Rate	Click Rate
FULL STEAM AHEAD! 2025	61,294	35%	3%

Leading into the 2025 season, the goal is to send an average of 2-3 email campaigns each month. YOY our email subscription list has grown by 9,460 subscribers.

MEDIA PLANNING AND BUYING

2025 Media Plan

The goal of the media plan is to reach all segments of our target audience in an effort to generate high ticket sales for the season. Our target audiences include travel/visitors, regional areas visitors, local residents and train enthusiasts. Geographically, we are targeting specific markets including Albuquerque, other areas of New Mexico, Colorado Springs, Pagosa Springs, the Four Corners area, and Texas. We have an increased emphasis in 2025 on the Pagosa Springs area as well as Texas.

New tactics on our plan in 2025 include video advertising on the Belen-Santa Fe Rail Runner commuter train. We will have video running in train cars and at the station displays. We have added senior advertising and event participation in Albuquerque, Colorado Springs and the Colorado Western Slope. We've added additional support to run with geo-targeted digital online advertising in Pagosa Springs during the summer months to reach visitors in the area. We have also moved our effort with Colorado Tourism to run with a programmatic online campaign using their 1st party data in place of video ads running in the state Welcome Centers.

We have been steadily increasing our digital media and in 2025, we have 47.4% running in digital tactics including online programmatic (display banners and preroll video), social, enewsletters, media website advertising, paid search and CTV. Where available, our placements with local media has been moved from print to digital. Other media tactics in place for 2025 include TV, radio, promotions, out-of-home, and print.

PR & SOCIAL MEDIA OVERVIEW

Note: This report offers specific results for *November 1, 2024 - February 1, 2025*. Annual 2024 results have also been calculated and the full report is [available here](#).

From November 1, 2024 - February 1, 2025, the C&TSRR had:

Marketing 1

Addendum B

- 78 known media placements
- worth an estimated \$9 million
- Key placements that fueled these results were wire stories on the Indiana Jones House being named an [endangered place in Colorado](#), multiple MSN.com stories including [“30 Incredible Bucket List Train Journeys,”](#) stories in Colorado and New Mexico media about both the [Holiday Trains](#) and the release of the 2025 schedule.

SOCIAL MEDIA

From Nov. 1, 2024 - Feb. 6, 2025:


- **72,765 Facebook followers**
- **5,346 Instagram followers**

Most popular Facebook posts were:

Post Performance

Cumbres & Toltec Scenic ...
Nov 16, 2024 12:00 PM

Just thought you might need to hear the sweet sounds of a steam



Clicks	Reactions	Comments
9528	15037	405
Shares	Reach	Impressions
1261	257590	257590

Filter Sort: Engagement

Cumbres & Toltec Scenic ...
Dec 25, 2024 12:00 PM

Merry Christmas from the Cumbres & Toltec! 🎄 Roger



Clicks	Reactions	Comments
1527	4000	108
Shares	Reach	Impressions
304	80604	83289

Cumbres & Toltec Scenic ...
Jan 4, 2025 12:00 PM

Thanks @betterbyrail for the "Quick Steam + Whistle edit of



Clicks	Reactions	Comments
1080	2000	21
Shares	Reach	Impressions
92	38338	38433

Cumbres & Toltec Scenic ...
Jan 17, 2025 12:00 PM

Did you know #463 was once owned by Gene Autry? In 1955,



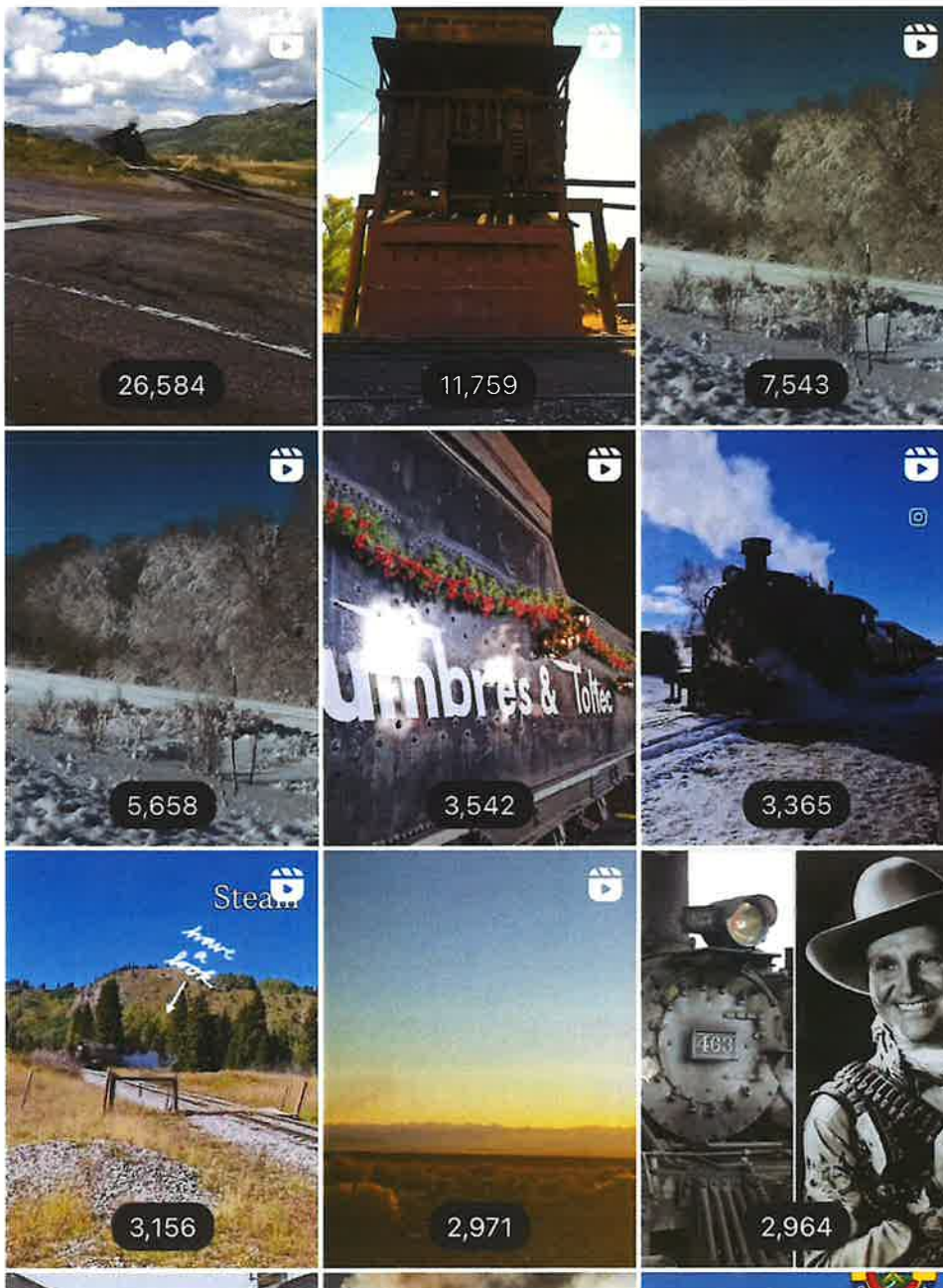
Clicks	Reactions	Comments
1586	936	54
Shares	Reach	Impressions
82	31719	31779

Our **most popular Instagram posts** were:

Marketing 2

Addendum B

Views



WEBSITE

Marketing 3

Addendum B

Currently in a transition and launch of a new website for our 2025 season. Launch of the new website will take place week on February 10-14.

2025 BROCHURE

Brochure design is underway and will be ordered within the next couple of weeks.



Summary:

The Finance Department has filed all 1099s for calendar year 2024. They have been submitted to the IRS before the deadline. Currently, all existing vendors are requested via accounts payable for updated W-9s for the year 2025. This process was implemented a few years back and the outcome of it has been successful as far as ensuring all the vendor's information is gathered and correct to file 1099s. The department has been busy working with SJT Group to finish up the audit. The week of February 3rd, 2025, the group had sent out a heavy list of requested samples including samples for the single audit of the ARPA funds from New Mexico. These requests were fulfilled the same week, although there are a few that are needing additional explanation, support, and these are being fulfilled as the information is available. I am hoping to have a timeline and findings – if applicable by the time we meet on the 14th. Below, are details of each company.

HPA:

HPA profit and loss, is quiet around this time of year, you can see the insurance expenses posted from the Management Liability Policy that HPA holds with CTO.

Commission:

We have received General Fund Support for both CO and New Mexico, so we see that income reflecting on the Commission's P&L. Total expenses for the Commission have decreased from prior year – salaries have been reallocated to stay in budget.

CTO:

Reviewing the profit and loss statement for the operating company, we see an increase in our total income of about 1.3% overall from prior year. Operational revenue increased from prior year. Total expenses have decreased about 10% from last year and a total decrease of about 41% from prior year for the month of January. Payroll expenses, supplies & services, G&A, utilities, and interest

expense have decreased from prior year. The balance sheet for the CTO company reflects an increase of our total bank accounts about 67% - within that major increase we see about 78% increase sitting in the ticket revenue account. Our total current assets have decreased about 36%, the major decrease has to do with the intercompany transfers of the Due to Due From accounts. The total liabilities for the CTO company is reflecting about a 28% increase from

prior year. Our major increase is the intercompany due to other funds. We also see an increase in deferred revenue from advanced ticket sales of about .38%.

Capital:

Capital is busy around this time of year, currently we are working on the drawdowns for ARPA, everything was committed as of December, we just must spend the funds the way we reported. The projects in the locomotive shops and car shops are to be billed for reimbursement for Colorado. The appropriated monies for Fire Mitigation are also being worked on drawing down and submitted to the state.

Alysia Martinez

CTO: Accounting & Finance February 14th, 2025 Alysia Martinez

Cumbres & Toltec Scenic Railroad

General Manager Update

(11 February 2025)

General – With the year 2024 completed, activity has shifted throughout the railroad. The Christmas trains carried nearly four thousand riders and when added to the regular season ridership yielded a total of 38,403 riders. Operations are now fully focused on winter work in preparation for the 2025 operating season. The Department reports provide more detail of the status of activities in each area.

Railroad Operations – Train operations throughout 2024 generally went well. Locomotives and rolling stock were reliable and relatively few challenges were encountered. Winter maintenance activity is being directed to preparing the locomotives, cars and when weather permits the track for a successful 2025 operating season. Heavy emphasis is being placed on running gear on most of the locomotives. Locomotive #463 had been heavily used and wear in the running gear had reached a point where it was used sparingly through the later part of the season. A rehab of the running gear to include replacement of the driver tires will be completed this winter. Locomotive #487 suffered a major breakdown and was out of service for the remainder of the season. It will be a major priority to be returned to service. Locomotive #489 is receiving major wheel work, and the remaining locomotives are being prepared for the upcoming operating season. All locomotives and cars will undergo mandated FRA inspections. A new coach will be completed and put into operation. The track and support structures will be prepared to support operations as weather permits.

Business Operations – Business Operations moved forward throughout the year and there were relatively few problems. The Fare Harbor reservation system went live and overall implementation went quite smoothly. The cost to the customer is quite high and at present it is not known if this has a negative impact on ticket sales. The built-in report systems are awkward for a complicated business such as the C&TS with demanding government reporting and audit requirements. Business analytics is problematic as well. Product pricing has been adjusted to improve overall revenue performance. The largest unknown facing the railroad is the overall state of the economy. Recent activity from governmental actions and other factors indicate that consumer confidence could weaken and that will increase the challenge of selling tickets. Regular ticket sales went live in January and although slightly lower than 2024, appear to be

roughly in line with historical patterns. Group sales are also slightly weaker than last year at this time. Unfortunately, correlation with overall season performance has historically been weak, but at least ticket sales are taking place – particularly on-line.

Marketing efforts for 2025 are ongoing. Abi has presented a detailed review of where we stand currently. In 2023 we only carried 30.1K passengers during the regular season. Total ridership for the entire 2024 regular operating season was approximately 34.4K representing an improvement of roughly 13% over 2023. We are working hard to regain our core business performance as well as developing new products. Groups performance was good in 2024 and will be an important part of the solution. Abi continues to explore many options that will return us to our path toward self-sustainability.

Christmas train results were mixed. While overall ridership increased by over 30%, it was due to successful efforts at reaching out to area schools. Regular ridership actually declined when compared when compared to 2023. Work is already underway to develop plans for improving performance of the 2025 Christmas trains.

Retail and On-Board operations have been generally successful. Kalee's report provides details of where we now stand. Call backs and recruiting of seasonal personnel succeeded initially in providing staffing required to support operations, however attrition resulted in less than adequate personnel strength than needed during the later part of the season. Planning for staffing needs is underway to avoid some of the challenges encountered in 2024. Human Resources continues to work diligently to support current and future staffing needs. Retail sales have been solid with special emphasis on maximizing net contribution to overall NOI.

Financial – The financial situation has improved somewhat from what it was a year ago. Three of Commission business elements remain quite healthy with solid balance sheets and P&L's. Unfortunately, CTO continues to be significantly weakened by lower than planned ridership since the pandemic. Alysia has provided a detailed look at each of the business elements in her report. Within CTO, the P&L for FY 24 showed a loss, although the magnitude of the loss was not as great as had been feared. In the meantime, a major effort continues to be placed on cash management and cost control.

Much of the CTO cost structure such as insurance, meal costs, motorcoach service and a variety of G&A and utility costs are not very flexible. While all expenditures have been carefully monitored, labor and marketing offer the biggest opportunities for potential cost savings to help manage cash flow. Efforts to reduce labor expenditures were successful. A carefully managed preparation for start up along with reduced leadership and business staffing resulted in April through January labor costs to be measurably less than the comparable period a year previous. Unfortunately, insurance costs meal expenses continue to be high offsetting some of

the gains in reducing labor expenses. Overall, we must continue to build our ridership performance.

Financial performance in the Capital and Commission elements of the overall enterprise is solid. Particular emphasis on utilization of ARPA funds which are most perishable is being carefully monitored. At present, actual spending of these funds has reached roughly nearly \$2M and the remainder is fully obligated. All the ARPA obligations were completed by year end as required. Locomotive WP&Y #114 is now in Antonito and is receiving a controls upgrade before being placed in service. Other projects receiving major ARPA support include constructing a new coach, restoration of Locomotive #492 and permanent locomotive fuel oil supply systems. The goal is to utilize the total amount of the ARPA funding source as quickly as possible so as to gain the benefits provided. The special Colorado appropriation for fire mitigation project is moving forward and will be completed by the end of the fiscal year.

Government Affairs Activities – In New Mexico we have completed the request and pre session hearing cycle for the current legislative season. This was challenging as the Capital Outlay implementation of BFM had not gone well and it has temporarily reverted to the older CPMS. As a non-participant in the state accounting system, there have been some challenges. We have two capital outlay projects for consideration by the legislature this year. They are the base request for \$1.275M and an additional request for \$820K for the rehabilitation of the Long Creek drainage culvert. New Mexico is expecting a budget surplus, so we are hopeful that these projects will be funded. General Fund support for Commission operations has been requested that includes an increase from \$380K to \$394K. As of this week, both the Executive and LFC are supporting this request.

In Colorado the major task had been to work on the next "Three Year Plan". The financial situation in Colorado is entirely different than in New Mexico, where the state is facing a \$700M to \$1B revenue shortfall. The combined Colorado operating and capital request has been a challenge as budget guidelines from the Governor severely restricted what could be requested. We initially requested additional funding to offset the inflationary cost increases encountered over the last three years. We will not receive this additional funding, however there is agreement in the Governor's office that we should have an annual base and can therefore avoid the three-year plan challenges.

The Governor's budget proposed that our funding support remain flat with the previous appropriations. The Colorado legislature is now in session and initial indications from the JBC suggested that some or potentially all of our request might not be appropriated. We testified in January before the JBC and made personal visits to demonstrate to key Colorado decision makers how important the railroad is to the area. At this point, we think that we have

improved the likelihood that our funding will be approved, however we won't know the outcome until April at the earliest.

Summary – An enormous amount of work took place on the railroad during 2024. While there were some challenges, operations as a whole were satisfactory. Our focus now has shifted to preparation for the 2025 operating season. We have accomplished much and I am pleased and thankful that we have the right people in place to continue to make it happen.

Local Affairs Report:

Our constituents seem to be happy. There has been a lot of growth in the downtown Chama area. Several places have been remodeled. It is hoped that downtown Chama will be thriving again. Antonito seems to be self-sufficient. Commissioner Elbrock said things were quiet for him as well. The questions will arrive soon as the season arrives. Ed responded to the ridership projection. Last season saw about 14% growth. That would be quite a goal for this year, so 7% is the projection. Holiday trains will be promoted more, to get more riders in the area during that season. Even with an unknown economy for the year, it is felt the 7% growth is reasonable.

Partial transcription by Sam Seiber

Capital Report:

Marvin covered the locomotive front well. The Lava water tank, now restored with a 12,000-gallon liner, will be filled by two tank cars and provide an extra water stop due to low supply at Sublette. (Water at Lava could aid in fire mitigation). The Long Creek culvert issue is significant, and New Mexico's assistance is hoped for.

Partial transcription by Sam Seiber

Tracks Across Borders Byway Report

John Bush: An informational sign is at the Watchable Wildlife Area near Arboles, CO. Another sign will be installed at Juanita, CO, funded by CDOT. New signage is needed in NM, and the Continental Divide sign west of Chama requires replacement. One of the two stock cars at Dulce, NM has collapsed, with efforts underway to replace them using two cars returned from Oklahoma. There is a collaboration with Jicarilla Nation for funding sources.

John Porco: John reported on the stock cars, noting a good relationship with the nation's president, who supports refurbishing the stock cars, and potential tribal funding. A grant from the CO tourism office has helped develop a sponsorship program with three levels, targeting businesses and organizations. Additional funding would support more signs and improvements. A new trifold brochure, nearly ready to print, will replace rack cards and serve as a travel guide for the byway, thanks to CDOT funding. TABB will attend upcoming train shows, with more updates expected at the next commission meeting.

John Bush thanked the Friends for the travel guide phone app and the RR for covering the costs. The D&S has also supported other resources. TABB aims to boost area visitorship and increase riders for the C&TS. There is a plan to extend the byway from Chama to the state line to connect with the CO byway Los Caminos Antiguas.

Partial subscription by Sam Seiber



Report to the Cumbres & Toltec Scenic Railroad Commission

Date: February 15, 2025

Please accept the following report as presented at the C&TS Railroad Commission Meeting in Antonito on Saturday February 15, 2025.

Although I thought the November 2024 Commission meeting was my last as Friends CEO, I can say that this meeting is indeed my final as I pass the reigns over to Rick Marsden who is taking over as Executive Director. Thank you for all the support over the years!

- The Friends Spring Board meeting is approaching and will be held Saturday March 15th at Holiday Inn & Suites, 5050 Jefferson Street NE in Albuquerque. The banquet will be held Friday March 14th at the same location starting at 6:00pm with a cash bar, 7:00pm dinner & program at 8:00pm.
- Due to our oversight as to when Chama Days are held, the Friends Moonlight & Wine Train will be operated on Saturday August 2nd departing Chama. We appreciate Ed working with us about changing the date. We are awaiting pricing for the train.
- There are a number of train shows on the calendar as we venture into 2025. John Engs is spearheading the Friends presence at the Rocky Mountain Train Show on April 5th & 6th to be held at the National Western Complex in Denver. Later in the year Rick Marsden will be present at the National Narrow-Gauge Convention being held in Collinsville, IL/St. Louis between September 3rd-6th. In November Rick will also spearhead a presence at Rails Along the Rio Grande held at Balloon Fiesta Park in Albuquerque. It is always beneficial to have the railroad's brochures so the Friends can promote riding the Cumbres & Toltec.
- We thank Ed and the staff for scheduling the Friends after-season photo charter which will take place on Sunday October 26th and Monday October 27th. The two-day event will entail running from Chama to Antonito on Sunday, motorcoach passengers back to Chama. On Monday passengers will be motorcoached from Chama to Antonito with the charter running Antonito to Chama. Capacity will be 60 passengers.

2025 Work Session Dates

Session A	May 26 th -30 th	Antonito
Session B	June 2 nd -6 th	Antonito
Session C	June 16 th -20 th	Chama & Antonito
Session D	June 23 rd -27 th	Chama & Antonito
Session E	July 28 th -August 1 st	Antonito
Session F	August 4 th -8 th	Antonito
Session G	September 22 nd -26 th	Antonito

The Friends member train & dinner will take place on Friday June 20th in Chama.

Express Baggage Car 163 Project



Work continues every other Saturday at the Colorado Springs work site. As you can see, the crews continue to make progress.



Respectfully submitted by Tim
Tennant, President/CEO