

Cumbres & Toltec Scenic Railroad Commission
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**CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION
MEETING MINUTES FOR SEPTEMBER 27, 2007**

A meeting of the C&TSRR Commission was held on Thursday, September 27, 2007, at Our Lady of Guadalupe Parish Hall, Conejos, Colorado.

The meeting was called to order at 10:09 a.m. by Chairman Lon Carpenter.

Those present were:

Lon Carpenter, Chairman	Randy Randall, Vice-Chairman
J. Leonard Martinez, Treasurer	Pete Foster, Secretary
Leo Schmitz, Executive Director	Stephanie Gray, Administrative Assistant
Frank Turner	Craig McMullen
Ralph Hamilton	Dan Pyzel
Roger Hogan	Tim Tennant
Richard Tower	Eric Jacobson
Bob Ross	Nan Clark
Chris Czmyrid	Geoffrey Gordon
Andrea Buzzard	Bill Laurell
Joe Maestas	Debra Goodman
George Lawrence	D. Art Dederick
Archie J. Vigil	Ann Marie Velasquez
Representative Rafael Gallegos	Dick Cowles
Gayle Martinez	Dr. TC Grove
Maria T. Schmitz	

Commissioner Randall moved to approve the agenda, as presented. Motion carried with a second from Commissioner Martinez.

Commissioner Randall then moved to accept the Commission's minutes for July 19, 2007 as presented. Minutes were approved with a second from Commissioner Martinez.

Chairman Carpenter's only remark was how pleased he was with the Season. He also thanked everyone for their efforts in making it a successful Season.

Leo Schmitz, Executive Director, reported the audit has been completed and the draft copy has been given to the Commissioners for their review. He also reported Bill Lock has finalized the details for the trade of engines from Diesel #19 with Don Shank. Leo reported the contract with Hands Engineering, LLC is finalized, and they are preparing the plans for the Ash Pit Modifications. As for the Antonito Car Shop Addition, Leo reported the specifications have been revised to meet CDOT requirements, with CDOT's

input, and trying to prepare the additional documents needed to meet CDOT's requirements. Leo informed all those present of Carmen Knoob's death, the wife of C&TSRR's former employee Earl Knoob.

Chairman Carpenter then asked for the C&TSMC representatives to report. Frank Turner, President, reported the amount of work accomplished on the Track Project this Season. He showed the before and after pictures of the exemplary work the track crew did on the line. The installation of the ties and the ballast has been an improvement in the track and made an impact on the time schedule by making the ride shorter. He reinforced there is still much needed work on the track before the C&TS RR line will be up to par; therefore, it is necessary to acquire more funds to keep this program alive and to complete the Track Project throughout all the line.

Tim Tennant reported he is assembling a plan to have a maintenance schedule to work on the passenger cars in preparation for the upcoming Season. He feels there is definitely a need for more passenger cars for the future. He is pleased with the increase of passengers, and the time and dedication the employees have given.

Richard Tower gave his report on ridership and finances. He said REZWARE was sent a letter giving them notice of failure to provide product by the deadline and terminating the contract, since they have not fulfilled their contractual agreement. Some of their inadequacies have hurt reservations, and the management group is still waiting for them to develop the on-line reservation system. Commissioner Randall recommended the management group delay making the cancellation decision and try to work with REZWARE to resolve the problems. The Commission directed Richard Tower to investigate other reservation software and make a recommendation back to the Commission

Gayle Martinez gave her report on the advertising and marketing. She began her report, with the assistance of Chris Czmyrid and Eric Jacobson from Circus, Inc., with a short video representation of ridership and revenue comparison. She reported ridership was up by 7% to date and will finish the Season strong. Gayle also reported there is an increase of 13.5% in revenues. She outlined some of the projects she will be doing throughout the winter months to promote the C&TS RR. The C&TS RR Management team will be at different trade shows and other festivals promoting the Railroad. Also, the Commissioners and those present offered a variety of avenues to Gayle to help promote the Railroad by having a booth. Chairman Carpenter and the Commissioners applauded their efforts in the promotion of the Railroad and helping increase the ridership and revenue for this Season.

Leo Schmitz then reviewed the train operations, capital projects and the Commission budgets. He handed out a report to the Commission informing them they were \$140,000 below budget in ticket revenue for the two months of July and August and \$200,000 below budget for expenses for the same time period. Capital funds are being expended for the track work project, and the Colorado funds will be used before the end of 2007. Monies definitely need to be found for the continuation of the track project. Leo ended the report by stating he is working with the two states to find capital monies for the Commission's requested Capital funding.

Chairman Carpenter then asked for the Friend's report to be given. Bob Ross, the Vice-Chairman, spoke on behalf of the Friends of the C&TSRR. He reported the 2007 Work Sessions had 485 volunteers who collectively donated 20,000 work hours for several projects throughout the Railroad's line. They worked on several projects including the coal tipple, restoring some cars, working on several buildings and sites and of course the success of the docent program. It was a successful year for the Friends and their work sessions.

There were no items to address under Unfinished Business. At this time, Chairman Carpenter recessed the meeting, at 12:10 p.m., for a short lunch break.

At 12:38 p.m., Chairman Carpenter reconvened the meeting.

Chairman Carpenter then moved on to New Business. Under the first item was Approval of Resolution for Terms of Officers. Chairman Carpenter read Resolution 07-02. A motion for approval of this Resolution was made by Commissioner Randall and a second by Commissioner Martinez. Motion was approved unanimously.

Next item to be discussed was the Approval of Schedule and Fares for 2008 Season. Tim Tennant presented the schedule as being open seven (7) days a week, starting May 24th through October 19th, with trains departing at 10:00 a.m. There will be a slight increase in fares, but no drastic changes. After discussing the schedule and fares and giving some suggestions, Commissioner Randall moved to approve the schedule and fares as presented by Mr. Tenant. Motion carried unanimously with a second from Commissioner Martinez.

The next item was Approval for New Reservation System. No action was taken since it had been presented by Mr. Tower and recommendations and suggestions were given at the time.

Mr. Tennant then presented the Commission with a photo of the new logo for the C&TSRR. After much discussion, Commissioner Foster moved to approve the logo with Engine 483 being the engine sighted on the logo. Motion was approved with a second from Commissioner Randall.

At this time, Chris Czamyrid suggested they register the trademark. Mr. Roger Hogan then asked to be recognized. He asked the Commission if they realized they owned a website and also, there was a website for Engine 483. He gave some history of how both sites came to be. After discussing this news, Chairman Carpenter directed Leo and Attorney Andrea Buzzard to work on the process of getting the trademark and logo registered. Commissioner Randall moved to approve the use of the logo for the two websites and for other entities, wishing to use the logo, will need to apply formally to the Commission. Commissioner Martinez second the motion. After much discussion on this subject, Commissioner Randall withdrew his first motion and Commissioner Martinez withdrew his second. Commissioner Randall then moved once the registered paperwork of the new logo has been filed and approved to allow Roger Hogan to use the logo from the two website the 483 and the C&TS RR; and anyone wishing to use the logo must apply or reapply with the Commission. The motion carried with a second from Commissioner Martinez.

Approval of Advertising Agency Contract was the next item on the agenda. Commissioner Randall made the presentation and moved to revise the agreement by extending the advertisement contract, with West Agency, by six months, keeping it in the cycle of September through October for a monthly fee of \$7,500 per month, \$90,000 for the year after being reviewed and presented by counsel. The motion was second by Commissioner Martinez. After discussion, motion carried unanimously.

The Chair then recognized Chama's Mayor Archie Vigil to present the request on behalf of the Village of Chama. Mayor Vigil presented the Commission with a lease agreement for the land to be used by the Town of Chama for a cost of \$1.00 per year. After much discussion, it was agreed the attorney, Ms. Buzzard would review the lease agreement and review the laws of Colorado to be sure the lease will be acceptable to both states. Leo said the Commission will need a legal description of the property Chama wants to lease as well as indemnity and insurance. Mayor Vigil said he would provide the Commission with these. Commissioner Foster felt the Commission would retain the right to approve any changes to the property and to be informed of how the Town will use these properties. Also, it was suggested the property should be used to promote the Railroad and compliment the history of the Railroad. Commissioner Martinez asked if the C&TSRR Management welcomed the idea of the lease. Mayor Vigil said they knew and approved of the lease agreement.

After much discussion, Commissioner Martinez moved to accept the proposal and idea of the presented property being leased to the Town of Chama, contingent on the legal document being written by Attorney Ms. Andrea Buzzard and being brought to the Commission for final approval. Motion carried with a second from Commissioner Randall.

Chairman Carpenter then asked Nan Clark and Bob Ross to make the presentation on behalf of the Friends on the Interpretative/Visitor Center. Nan said she had e-mailed the copy of the Resolution to Leo. The last paragraph of the Resolution was questioned. Nan said she knew the building will become the property of the Commission. Leo said Attorney Buzzard had reviewed it and modified the wording of the Resolution. Commissioner Randall moved to approve the Resolution presented by the Friends, so they can pursue funding for the Friends Interpretative Center, as most recently modified by counsel. Commissioner Foster felt a change should be made to state no construction can be started until all monies are acquired and final approval for the structure and timeline of building should come before the Commission for approval. Commissioner Randall amended his motion to include the change recommended by Commissioner Foster. Commissioner Martinez second the motion and motion was approved unanimously

Leo then presented the Commission, with a request from RGRPC for Billboard Reimbursement. Leo reported they were requesting a reimbursement of \$5800 to cover the cost of the billboard, located in Del Norte, Colorado. After much discussion, Chairman Carpenter directed Leo to obtain a copy of the contract and prepare a timeline of events and the detail of the request from RGRPC. No action was taken.

The next item Leo presented was the Approval of the Concept of a Car Shelter Over the Tracks, in Chama, an idea and concept submitted by Parker Fowler. After deliberating this concept, it was the consensus of the Commissioners the idea should be submitted to


the Friends since it follows their guidelines of preservation projects for the Railroad. No action was taken, and Chairman Carpenter directed to Leo to write Mr. Fowler a letter informing him of the process to take; the Friends should be the entity he needs to present his ideas to, and they will bring it before the Commission.


Leo then presented the Commission with the problem of disposing of old computers. Attorney Buzzard said these computers must be disposed of following the procedures set by New Mexico's Statute 13-6-1. Commissioners agreed unanimously to disqualify this item from the agenda and store these items: motion being made by Commissioner Randall and second by Commissioner Martinez.

Chairman Carpenter then brought the next item, Develop Plan for Grant Writing, to the table for discussion. After much discussion by the Commission, it was decided the Executive Director will prepare a list of needs and prioritize them and report back to the Commission. Also, knowledge of grants, from other sources besides the States, must be acquired and guidelines followed.


Chairman Carpenter then brought the next item to the table for discussion. He agrees it follows the previous item of grant writing. A Five Year Master Plan needs to be developed and a list of needs prioritized to be able to seek grant monies. The Friends organization had many concerns with the Five Year Plan established by Unit Design. Chairman Carpenter felt the Friends should make their comments known; however, the Commission cannot formally adopt them. Once again, it was the consensus of the Commission a list of priorities of needs has to be prioritized to go forth and seek funding for them.

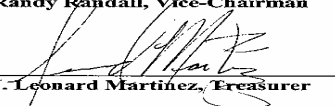
There being no other business, Commissioner Martinez moved to adjourn the meeting. Chairman Carpenter adjourned the meeting at 3:35 p.m. with a second from Commissioner Foster.

Approved by:


Lon Carpenter Chairman


Pete Foster, Secretary



Randy Randall, Vice-Chairman


J. Leonard Martinez, Treasurer