



CUMBRES & TOLTEC SCENIC RAILROAD COMMISSION
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Randy Randall, Chairman **Peter Foster, Vice-Chairman**
Lenny Martinez, Secretary **Lon Carpenter, Treasurer**
Leo Schmitz, Executive Director

**CUMBRES & TOLTEC SCENIC RAILROAD
COMMISSION
MEETING MINUTES FOR MARCH 10, 2008**

A meeting of the C&TSRR Commission was held on Monday, March 10, 2008, at Our Lady of Guadalupe Parish, Conejos, Colorado.

Chairman Randy Randall called the meeting to order at 10:02 a.m.

Those present were:

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| Randy Randall, Chairman | Pete Foster, Vice-Chairman |
| J. Leonard Martinez, Secretary | Secretary Lon Carpenter, Treasurer |
| Leo Schmitz, Executive Director | Stephanie Gray, Administrative Assistant |
| Frank Turner | Andrea Buzzard |
| Amos Cordova | Jay Warner |
| Roger Hogan | Tim Tennant |
| John Matthews | Gayle Martinez |
| Earl Knoob | Chris Czmyzid |
| Charlotte Bobicki | Erin Minks |
| Debra Goodman | Steven Flowers |
| Frank Montoya | Carmen Montoya |
| Ann Marie Velasquez | Stephanie Steffens |
| Larry Winget | Dr. TC Grove |
| Renee Richards | Bill Laurell |
| Russ Espinoza | Lawrence D. Gallegos |
| Suegy Randall | Orlando Gallardo |
| Erin Smith | Ed Lowrance |
| Donald Bayer | Laura Grant |
| Jim Okeefe | Kendra Martinez |
| Maria T. Schmitz | |

Commissioner Martinez moved to approve the agenda, as it stands. Motion carried unanimously with a second from Commissioner Carpenter.

Commissioner Carpenter then moved to accept the Commission's minutes for December 6, 2007, as presented. Minutes were approved with a second from Commissioner Martinez.

Chairman Randall welcomed everyone and thanked Commissioner Carpenter for doing a good job as previous Chairman of the Commission. He then applauded the efforts of the Management Team and their staff for the great effort they showed in removing the ample amount of snow in Chama.

Leo Schmitz, Executive Director, reported the construction of the Chama Ash Pit, because of the anticipated high water table in the area of the Ash Pit has been postponed until the end of the Season. Also, he reported the Antonito Car Shop Addition will be put out to bid when approval from CDOT is given. Leo also reported the State of Colorado has approved a supplemental appropriation of \$600,000 and the State of New Mexico has approved \$1,000,000 for the Track Upgrade Project. The Track Project funding in Colorado is one item below the cut-off line.

Chairman Randall then asked for the C&TSMC representative to report. Frank Turner, President, reported his biggest concern was the amount of snow Chama had and the snowfall throughout the track. He explained there were several areas to watch, and he anticipated a great amount of time and effort will be spent clearing the snow off the track, and road to Osier. He and John Matthews showed pictures of the huge boulder which fell on the track at Windy Point. They both felt it would be some problem, but they would clear the track of it before opening day. Frank indicated that the season would open on the scheduled date.

Another concern expressed was the Chama Bridge. They will be doing much work to stabilize the bridge and moving the water which flows near the east abutment; therefore, preventing water damage to the bridge. Frank believes work on the track will begin around the 1st of April with the removal of snow. His last statement was on ridership and finances; saying ridership was up to par and the finances were alright.

Gayle Martinez and Chris Czmyrid then presented their reports. A video presentation on the new brochures was shown. Gayle reported on some of the marketing efforts and strategies she and Chris have made since the end of the 2007 Season. Trade shows were attended to promote the Railroad. Also, billboards were being placed in Taos, Durango and Fort Garland. She also reported she is working with the San Luis Rio Grande Railroad in helping promote the C&TS RR and let people know they can stay an extra day to take both trips. Ms. Martinez also informed the Commission she was working with both terminals' Chamber of Commerce, the Alamosa Chamber of Commerce, the Conejos County Lodging Board, the SLV Tourism Board, Taos Chamber of Commerce, Antonito and Chama Town Governments, and other entities to continue the promotion and marketing of the Railroad.

Gayle informed those present of two events happening during the Season. The Galloping Goose and Engine 315 will be running special excursions on the C&TSRR. They will be here mid-June to early July. The final details and prices are being arranged. Gayle feels this will create a great deal of excitement in the Rail Fan community and will draw riders to the C&TSRR.

Chris surmised the statistical numbers of those who rode last Season. He said more repeat riders are needed to stabilize the economy of the Railroad. He stressed the importance of marketing strategies through advertisement in the media and ads. He also felt marketing to our patrons as they enjoy the ride will get them to tell others to ride which is an important marketing tool. He and Gayle both felt 2008 Season would have an increase of patronage and more people come to ride the C&TS RR; therefore, helping the economy of both Chama and Antonito.

Leo Schmitz then reviewed the train operations, capital projects and the Commission's budgets. He handed out a report to the Commission informing them the train operations net income, was \$41,000 below budget through the end of February, because of lower

budget revenue and higher cost for parts and materials. However, he said labor was within budget. Leo informed the Commission Capital Projects and Commission accounts are within budget, and work on Locomotive 489 is progressing and will be ready for opening day.

Chairman Randall then asked for the Friends report to be given. Tim Tennant said the Friends are getting closer to reaching their goal – Two Million Dollar Fundraiser over five years. As of today, they have received \$675,000 in cash and pledges. He reviewed the work sessions for the upcoming Season. He also related the special, sponsored by the Friends, for the 21st of June, where they would have three trains leaving Antonito. Chairman Randall thanked the Friends for all the work they volunteer for the Railroad. Commissioner Martinez felt the Friends were an asset to the Communities of Chama and Antonito because of the influx of monies they spend helps the economies of both communities.

Leo Schmitz then reported he had submitted grants to Senators Ken Salazar and Jeff Bingaman and Congressman John Salazar for the Track Upgrade. He is also working on a pre-application to EDA for the same project. He has requested 1.7 million for the Track Upgrade project from the Senators and Congressman Salazar.

Next on the agenda was Unfinished Business. Under the first item, Approval of Open Meetings Resolution, New Mexico's Attorney General's Assistant, Andrea Buzzard informed the Commission she had reviewed the Resolution and she recommended it for approval. Commissioner Martinez made the motion to approve the 2008 Open Meetings Resolution as presented. Motion carried unanimously with a second from Commissioner Carpenter.

Chairman Randall then asked Tim Tennant to report on the Visitors Center. Tim said he had received a letter from Robyn Powell, NMSHPO, which addressed the proposed site to build the center. She felt it would not complement the Railroad's historical value; therefore, the Friends would have to find a new location for the structure. Chairman Randall said he would work with Tim Tennant, Pete Foster, Frank Turner, Leo Schmitz and the NMSHPO to find a new location for the center.

Next item on the Agenda was New Business. The first item was the approval of Management Contract with C&TSMC. Commissioner Martinez said he had worked with the Management Team, and he felt they had developed a good contract. He said the differences were it is a multi-year contract; the incentive fee range for paid ridership was increased by \$10,000; and a 3% inflation factor added. Commissioner Martinez also said the Attorney, Ms. Buzzard, had reviewed the contract and gave her approval. The Management Contract was approved unanimously with a motion being made by Commissioner Martinez and a second from Commissioner Carpenter.

Chairman Randall stated the multi-year contract will help both communities because they will not have to worry yearly if the C&TS RR is going to run the following Season. Both Chairman Randall and Commissioner Martinez said they were glad the incentive monies were given to the employees of the Railroad, and Chairman Randall thanked the team for this action.

Leo Schmitz then recommended the approval of the Audit Report. Commissioner Carpenter moved to approve the Audit as presented. Motion carried unanimously with a second from Commissioner Martinez.

Leo then presented the General Operating Agreement with the Friends. He said the Attorney, Andrea, had reviewed the agreement, and she said it could only be an agreement between the Commission and the Friends since there is no third entity involved. She further commented the Friends are a New Mexico registered Corporation; therefore, they must follow the New Mexico guidelines, referring to Article IV of the Constitution.

Chairman Randall asked if the Commission was required to comply with the New Mexico rules. Andrea responded that the original legislation creating the Commission recognized there might be conflicts between the laws of the two states and provided a provision for either state to pass legislation specifically exempting the Commission from laws. However, no exemption has been approved exempting the Commission from complying with this rule.

Chairman Randall asked Andrea if there are any Colorado laws they had to follow before approving this agreement. Andrea said she would investigate and let the Commission know. Since this item could not be resolved, Commissioner Carpenter moved to table this item until the next meeting. Commissioner Martinez second the motion and motion was approved.

Chairman Randall then moved onto the next item on the agenda, Osier Water Shortcomings.

Commissioner Foster said the Osier Water System Shortcomings had to be addressed now. There is not time to wait to find the monies. Chairman Randall asked, "What does the Commission get from the Osier Concessionaire." Leo said "\$1.00 is given per each meal ticket sold". Leo added the Commission and Train Operations gets 50/50 of the \$1.00. Leo also informed the Commission the Management uses the Train Operations share to fix the concession cars. Commissioner Martinez moved to move the monies acquired in 2007, up to 18,000, to address the Osier Water System and it should be completed by 08/01/08. His motion also included to undergo a study, in 2008, to upgrade the water system at Osier and the Osier Dining Facility and have it included in 2008 Capital Appropriations. Motion passed unanimously with a second from Commissioner Foster. After further discussion, Commissioner Martinez moved the Commission would put in their half and the Train Operations would put in their half from the per meal ticket, to create a new line item account, to be used, for the Osier Dining Facility and the Concession Cars, would be created in the Commission Account. Commissioner Foster second the motion and motion carried unanimously.

Chairman Randall then recognized Commissioner Carpenter, who addressed the next item on the agenda, Hiring a Lobbyist for Colorado and New Mexico. Commissioner Carpenter explained, through the use of his diagram, how difficult it is to get monies from the State of Colorado. He then focused on the issue of having someone on board who can be there to keep the legislatures, of both states, educated and aware of the fact they own the C&TS RR and funding is needed to keep it operational. Chairman Randall directed Commissioner Carpenter to continue studying the issue of find a lobbyist and said to check with the Attorney, Andrea of the legalities involved. Chairman Randall said it should be addressed at both states. Randy continued, with regard to New Mexico, we really require someone to be at the Roundhouse on a daily basis during the legislative session and this may be more than we can ask of Carl Turner. He will of course continue to play an important lobbying role in conjunction with anyone else we might attempt to find to represent the C&TSRR. He was grateful to Carl for all his time and efforts, and acknowledged, with gratitude, the time Hugh Fowler has given.

Chairman Randall then asked Tim Tennant of the status of Save Americas Treasures Grant. Tim reported the paperwork still needs to be reviewed by both entities, and he will present it at the next meeting.

Chairman Randal then asked Leo to address the next item on the agenda, Designation of Representatives for New Mexico Surplus Property. Leo informed the Commission it was to renew the designation list to be able for the Commission to continue buying New Mexico's Surplus Property. Leo said it is usually the two New Mexico Commissioners, himself and Marvin. Chairman Randall directed Leo to submit the forms with himself, Commissioner Martinez, Leo Schmitz and Marvin Cassias being the designated purchasers on behalf of the C&TS RR and the Commission.

Chairman Randall then moved to the next item on the agenda, Approval of Friends Projects for 2008. Tim Tennant presented the Commission with the list of Friends Projects for 2008. He felt the three items: #1060, improve end-of-track loading ramp: #1061, install three yard lights: and #1098, construct benches for Antonito Depot, should be the Commission's financial responsibility. Chairman Randall said the Commission needs to approve billable projects, to be paid by the Commission, before the Friends begin the projects. Also, he stated this list should be approved by the SHPOs of Colorado and New Mexico. After further discussion, Commissioner Carpenter moved to accept the Friends list of projects and scope of work for 2008, as presented, subject to approval by New Mexico and Colorado's SHPOs offices. Motion carried with a second from Commissioner Martinez.

Chairman Randall then asked if there was any Other Business to come before the Commission. Commissioner Martinez informed, those present, the New Mexico Legislature approved a special license plate for the C&TS RR. The cost will be \$25.00 per license plate in addition to the regular cost of your license plate.

Chairman Randall thanked Roger Hogan for the presentation of the new Railroad logo patch and pin he presented to the Commission.

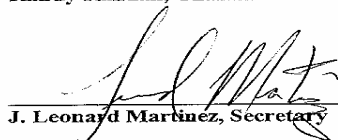
Chairman Randall informed the audience the next Commission meeting would probably be in June.


There being no other business, Commissioner Martinez moved to adjourn the meeting. Chairman Randall adjourned the meeting at 1:30 p.m. with a second from Commissioner Foster.

Approved by:


Randy Randall, Chairman


Pete Foster, Vice-Chairman


J. Leonard Martinez, Secretary


Lon Carpenter, Treasurer