



**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 JUNE 12, 2008**

A meeting of the C&TSRR Commission was held on Thursday, June 12, 2008 at Cookin' Books, 2451 S. Hwy 84, Chama, New Mexico.

The meeting was called to order at 1:06 p.m. by Chairman Randy Randall.

Those present were:

Randy Randall, Chairman	Pete Foster, Vice-Chairman
J. Leonard Martinez, Treasurer	Lon Carpenter, Secretary
Leo Schmitz, Executive Director	Stephanie Gray, Administrative Assistant
Frank Turner	Andrea Buzzard
Amos Cordova	Amanda Haley
Roger Hogan	Tim Tennant
Dan Pyzel	Gayle Martinez
Tom Bobicki	Chris Czymrid
Charlotte Bobicki	Erin Minks
Richard Tower	Stephen Flowers
Elmer Salazar	Dr. TC Grove
Scott Flury	Anjolene Cordova
Laura Grant	Geof Gordon
Ray Francis	Joyce Francis
Harold Abeyta	Archie Vigil
Teresa Smith	Maria T. Schmitz

Commissioner Foster moved to approve the agenda, as it stands. Motion carried with a unanimous vote with a second from Commissioner Martinez.

Commissioner Martinez then moved to accept the Commission's minutes for March 10, 2008 with once correction being made. His title should be Treasurer not Secretary, minutes will reflect the correction. Minutes were approved, as corrected, with a second from Commissioner Carpenter.

Chairman Randall welcomed everyone and thanked them for their effort in making this Commission Meeting. He then praised the Management Team and their staff for the great job they did in getting the Railroad prepared for the Memorial Day Weekend Opening Day. Chairman Randall was satisfied with everyone's efforts and time in having outstanding opening day ceremonies at both terminals.

Leo Schmitz, Executive Director, also thanked the Management Group for their dedication and hard work in getting prepared for the 2008 Season. Leo said some of the drifts, into Osier, were as high as 30

to 35 feet. He also thanked Stephen Flowers for all his help. Leo also reported he is getting the contract ready for the upcoming audit.

Chairman Randall then asked for the C&TSMC representatives to report. Frank Turner, President, presented a safety and operating booklet to the Commissioners. He compiled this booklet since he felt it was necessary for the Railroad's employees to have one. Mr. Turner then informed the Commission the damage caused by this tough winter. There was considerable cost in clearing the snow; however, it was completed by the efforts of the Railroad's staff, and they were ready for Opening Day.

Frank then informed the Commission 2,230 ties, as of June 11, 2008, had been laid; 5.2 miles have been surfaced with ballast and 3.5 miles tamped. He once again stated how much more work and monies are needed to complete this track project. To end his report, Mr. Turner related the Management Group will be interviewing for a General Manager around the end of July and then make a decision after the interviews.

Richard Tower then spoke on the Finances of the Railroad Operations and expected ridership of the C&TS RR. Richard reported the estimated revenue of 109,550 for the month of May is likely \$7,000 to \$8,000 lower than actual. Revenue for the year is approximately \$42,000 below budget, while expenses are on par with the budget. He also reported the cost of restoring Engine 489 was over budget by \$8,000, and Engine 489 would be operable soon which will be an asset to meeting the increase demands of ridership. He anticipates an increase of ridership for the 2008 Season because of an increase in charters, the visit of the Galloping Goose and Engine 315, and expanding into other train options: the Cinder Train and the Sunday Train. Richard also reported the new reservation system was working well and meeting the demands of the passengers.

Gayle Martinez then gave her report on the advertisement and marketing strategies of the Railroad. She said at the present time the Railroad was only 7% off the mark of expected ridership; however, she was confident the numbers would pick up and increase throughout the Season. She informed the Commission there were several groups reserving and this would help increase the ridership numbers. Gayle said she has been to several trade shows, working with the local communities and surrounding areas and pushing those visiting the Taos area to ride the Railroad. She is confident more people will come to ride the Cumbres & Toltec Scenic Railroad.

Gayle presented her website program, and she felt it has been an asset in getting out the information about the C&TS RR to the public. She is able to track how many interested person have logged on. The Web page has helped stabilize the numbers of the Railroad, and she feels this will help the Railroad reach its ridership projection of 45,000 passengers riding this Season.

Leo then reported on the Train Operations, Capital Projects and Commission Budgets. He said Richard Tower had already covered the train operations expenses. Leo reported additional funds will be coming in from the appropriations from the two states. He said the Ash Pit was within budget and the Antonito Car Shop monies were still awaiting the finalized contract documents to be approved by CDOT and then it would be put out to bid. The Commission's budget was staying within budget. At this time, Chairman Randall said whatever monies from the Osier Concession were above the expenses for the Osier Facility and concession cars should be designated as reserved for Osier and concession facility expenses.

Chairman Randall then asked for the Friends report to be given. Tim Tennant informed the Commission the Friends had received a \$10,000 grant from the Ludwick Family Foundation for the restoration of Post Office Car 054. Tim said both Sessions A & B had done well and much work was completed by the efforts of several volunteering Friends. He said the C Work Session would start next week. Tim said well over a hundred volunteers are signed up for Session C. Friends will have volunteered

many hours of work for the Railroad. He then extended an invitation to the Commission to join the Friends in their 20<sup>th</sup> Anniversary Celebration. He said the meal would be at the Parish Hall in Conejos, Colorado with Stephen Flowers catering the meal. The Friends Board of Directors meeting would be the following day in Chama. Chairman Randall applauded the efforts and work of the Friends.

Leo then reported he had submitted a pre-application for a grant to EDA for a total project cost of 1.7 million to be used for the Track Project. The matching funds will come from the state funds already appropriated. He said it would be two months before knowing if the Commission was in the running for the monies.

Chairman Randall said he had added one item to the Agenda: Public Input. He felt this was a way the audience would have the opportunity to express their concerns. Some members of the audience spoke thanking the Commission and the Management Group for working hard and having the Train operable for Opening Day for the 2008 Season. At this time, Chairman Randall recessed at 3:03 p.m. for a break and to get some refreshments, provided by Stephen Flowers and Cookin' Books. Chairman Randall reconvened the meeting at 3:15 p.m.

Next on the agenda was Unfinished Business. Under the first item, Approval of General Operating Agreement with the Friends, Leo presented the Agreement to the Commission and said he had e-mailed the agreement for the Commission's review prior to the meeting. He also reported the attorney; Ms. Andrea Buzzard had reviewed the agreement for compliance with state laws. The Agreement was approved unanimously with a motion being made by Commissioner Martinez and a second from Commissioner Carpenter.

Village of Chama's Mayor Vigil, then presented the Chama Property Lease to the Commission. After much deliberation, this item was tabled since it would need approval from New Mexico's State Board of Finance. Chairman Randall told Mayor Vigil to continue working and get the appraisal to get the approval from the Board of Finance.

Next item on the Agenda was New Business. The first item was the approval of Hiring a lobbyist for Colorado and New Mexico. Commissioner Carpenter and Chairman Randall felt it was time to have someone present at both States' Legislative Session to assure the Railroad would have capital appropriations given yearly. They also agreed the lobbyist would help keep the Railroad alive at the States' capital hearings. After much discussion, Chairman Randall tabled until it could be studied more and a cost projection made.

Leo then presented the Commission with an Amendment for Locomotive 489 Contract which would increase the budget by \$53,000. He said he had discussed this with Mr. Turner and the Attorney. Commissioner Martinez moved to approve this Amendment, as presented with the amount of the budget being increased by \$53,000. Motion carried with a second from Commissioner Foster.

Next item on the Agenda was Approval of Revision to Capital Budget. Leo presented the revisions to the Capital Budget. He proposed to take \$68,000 from the monies line itemed for Engine 463 which will cover the needed \$53,000 for labor and \$15,000 in materials, to cover the deficit for the track project. This would increase the budget for track work to \$242,000. After discussing the pros and cons, Commissioner Carpenter moved to approve the revision to the Capital Budget as proposed. Motion was approved unanimously with a second from Commissioner Foster.

Richard Tower then presented the Commission with the Train Operations Budget for FY 08-09 for their Approval. The budget would be fore July 1<sup>st</sup>, 2008 until June 30, 2009. He reviewed some of the items of the budget and answered the Commission's questions. After much discussion, Commissioner

Martinez moved to approve the Train Operations Budget for FY 08-09, as presented by Richard Tower, (See Attachment,). Budget was approved with a second from Commissioner Carpenter.

Next item on the Agenda was Approval of Capital Projects Budget for FY 08-09 which was presented by Leo Schmitz, (See Attachment.) After discussing the presented budget, Commissioner Foster moved to approve the budget as presented by Leo. Motion carried unanimously with a second from Commissioner Martinez.

Leo Schmitz presented the Commission with a copy of the Commission’s Budget for FY 08-09. After reviewing the line items with the Commission, Commissioner Martinez felt there was more of a need for a grant writer than a lobbyist in New Mexico. Chairman Randall felt a lobbyist was needed for both Colorado and New Mexico. After much discussion, Commissioner Martinez moved to approve the budget as presented with one change, leave contractual services but leave out the work lobbyist. Motion carried unanimously with a second from Commissioner Foster.

Chairman Randall informed those present the New Mexico Legislative Finance Committee will be visiting Chama on the 9<sup>th</sup> and 10<sup>th</sup> of July. He said they will visit the Car Shop and then ride the train to the top of Cumbres. They will then be bused for refreshments at Chairman Randall’s house and returned afterwards to their vehicles. The following evening the Elkhorn Lodge will have a cook-out for them.

Chairman Randall said the next Commission meeting will be in August.

There being no other business, Chairman Randall adjourned the meeting at 4:47 p.m. with a motion for adjournment being made by Commissioner Carpenter and a second from Commissioner Martinez.

/s/ 8-28-08

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**Randy Randall, Chairman**

/s/ 8-28-08

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**Pete Foster, Vice-Chairman**

/s/ 8-28-08

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**J. Leonard Martinez, Treasurer**

/s/ 8-28-08

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**Lon Carpenter, Secretary**