

Friends of the Cumbres & Toltec Scenic Railroad, Inc.
Board of Directors' Meeting – March 21, 2015
Courtyard Marriott, Journal Center – Albuquerque, NM

Attendance: John Engs, Scott Hardy, Jim Herron, Bill Lock, Ed Lowrance, Craig McMullen, Dan Pyzel, Bob Ross, Warren Smalley, Don Stewart, Caroline Tower, and Tim Tennant.
Absent: Arno Grether and Dennis Sterosky.

Guests: Phillip McDonald, Jim and Sharon McGee, Larry Leyva

I. Call to Order

Chairman McMullen called the meeting to order on Saturday, March 21, 2015, at 9:00 a.m. at Courtyard Marriott, Journal Center-Albuquerque.

II. Approval of Minutes

Chairman McMullen asked for corrections to the minutes of (1) the Board of Directors' Meeting of October 25, 2014; and (2) the Executive Committee Meetings of November 20, 2014; December 18, 2014; January 15, 2015; and February 19, 2015. None were proposed.

M/S Smalley/Pyzel to approve the minutes of the Board of Directors' Meeting of October 25, 2014. Passed unanimously.

M/S Herron/Engs to approve the minutes of the Executive Committee Meetings of November 20, 2014; December 18, 2014; January 15, 2015; and February 19, 2015. Passed unanimously.

III. President's Report

President Tim Tennant summarized his report to the Board:

A. Commission/Railroad

- Tim relayed some comments from Commissioner Dan Love relative to the historic passenger fleet project. The initial funding plan was turned down, but he was working on other approaches. The 2015/2016 appropriation was moving through the Colorado legislature with a \$200,000.00 grant match for the project. Tim reported that we had made significant progress on the 470 tourist sleeper and have all but completed work on 54 RPO.
- Opening day will be Saturday, May 23. This will be the 45th year for the railroad and Tim will give remarks at the opening ceremony.

B. Friends

- Our private railcar charter was a great success with a good time being had by those on the trip. We had twenty-five revenue passengers, four railcar owners, and an outstanding crew of three. We made a profit of \$6,500.00 from the trip and plan more trips in the future.
- Our next regional meeting will be on May 2, 2015 at the Illinois Railroad Museum in Union, Illinois. Bob and Holly Ross will assist Tim and Judy Tennant.
- Debbie Craine has supported our work with a gift from Bob's Estate of \$50,000.00 to be divided between restoration projects (\$25,000.00), general operating fund (\$15,000.00), and work sessions (\$10,000.00). We thank Debbie for this tremendous support.
- The June member meeting and banquet will be on Friday, June 19, 2015 consisting of a train ride from Chama to Cumbres. The families of Les and Nan Clark and Bob Craine will be in attendance as those great volunteers will be honored.
- In order to assist in accounting and finance resources an Albuquerque accountant Larry Leyva is now working for the Friends. Larry has twenty-seven years of accounting background, primarily in the non-profit field. He will be charging us \$40.00 per hour, much lower than the previous accounting assistance we had hired.
- Our 2014 Audit will start next month.
- Our Fall board meeting and banquet will be in the October 22-24, 2015 time frame. Some inquiry has been made about holding it in Durango.

C. 2015 Business Plan

Tim presented his business plan for fiscal year 2015 including the following essential elements:

- Membership Growth: the issue has taken on more and more importance. The goal is to increase membership by 10% to 2,483.
- Regional Member Meeting: the goal is to have a Spring meeting with sixty-plus people in attendance in the mid-West.
- Fiscal Management: the goal is to provide a clean audit for fiscal year ending December 31, 2014 and provide timely accounting reports to the Executive Committee and Board members on a monthly basis during 2015.
- Merchandise sales: the goal here is to have an increase of \$10,000.00 with sales of \$60,000.00, and a net return of 35%.

- Work Sessions: to have seven week-long sessions with an emphasis on safety and staying within budgetary guidelines. Hopefully, we will increase the number of work session attendees as well.
- Fundraising: continue with solicitation for the *Preserving the Narrow Gauge Past for the Future*. The target is to raise \$131,000.00 through PNGPF, raise grant income of \$32,500.00 and collect the end-of-year appeal of \$45,000.00.
- Interpretation: to install the Osier interpretive signs and explore the Cumbres Pass trails signage project. We will also work on the development of a ten minute interpretive video production to be shown in the Chama Museum car.
- Publicity: Linda Smith was successful in getting an article in SN3 magazine on RPO #54. There was also a nice write-up in the Winter 2015 edition of NGPF newsletter "Preservation News".

IV. Membership Committee

Don Stewart presented his Membership Committee report. 57 of the 302 parlor car complimentary memberships have renewed their membership at an average donation of \$87.00 each, representing a substantial value. Our current membership of 2,509 includes 2,108 paid memberships. This is a 9.3% increase in paid memberships (2,257 vs. 2,065).

Don presented reasons for why people join non-profits and his ideas to continue to increase membership, including the parlor car rider membership and other additional sources. He suggested attempting to renew lapsed members, ads in national magazines, mailings to people in the boomer generation, and other membership solicitation ideas. He wants to focus on young members, hopefully with a greater internet focus.

V. Presentation by CPA Larry Leyva

He presented his extensive background in non-profit accounting. Our contract with Burt & Co expired on December 31, 2014. Larry is a native New Mexican having been born in Carlsbad and was in banking for twenty years before getting into non-profit accounting. It is important that we track the restricted fund accounts and Larry will be of great help in that area.

VI. Development/Interpretation Report

Bob Ross and Caroline Tower gave their Development/Interpretation Report. They reported that active volunteer Ed Kretch has been quite ill. Caroline reported that she is working on a new brochure for the PNGPF and distributed an "almost-final" draft of the brochure. She stated that she had deleted some very specific projects and gone to "major restoration projects" and "work session support" in lieu of being more specific. Jim Herron mentioned how important it is that we have a category for work session support so we can continue to replace tools with better and newer tools. We briefly discussed the idea of raising dues, but deferred any increase into the future. Bob reported that we have already received \$10,000.00 in grants this year. Bob also reported working on the short video to show at meetings and in the museum car.

VII. Projects Committee

John Eng reported a successful series of Projects Committee meetings prior to our Board planning session yesterday. Phil McDonald reported the addition of a “guest account password” to view work session activities. He also noted the importance of logging in team leaders.

VIII. Nominating Committee

Jim Herron gave the report for the Nominating Committee. He reported that the class of 2015 is larger than the 2016 class, but that the spot for Bob Craine is vacant at the present time.

M/S Smalley/Stewart for the Board to go into Executive session to discuss nominations.

M/S Herron/Stewart to leave executive session and return to regular Board session.

M/S Eng/Smalley to nominate Dennis Sterosky for Bob Craine’s one-year remaining term provided that Dennis is willing to accept that nomination. Such election would take place at the June Annual Meeting of the Directors.

M/S Eng/Smalley to nominate the following Board members whose terms expire in 2015 for new two-year terms: John Eng, Jim Herron, Bill Lock, Crain McMullen, Dan Pyzel, Linda Smith, and Caroline Tower. The remaining position would remain unfilled. Passed unanimously.

Chairman McMullen adjourned the meeting at noon.

Respectfully submitted,

 /s/ William Lock
William Lock,
Assistant Secretary