

**DRAFT MINUTES: FRIENDS OF THE CUMBRES & TOLTEC RAILROAD BOARD OF DIRECTORS MEETING
SATURDAY JUNE 23RD, 2018 AT VILLAGECOUNCIL CHAMBERS, 299 WEST 4TH ST. CHAMA, NEW MEXICO**

MEETING CALLED TO ORDER AT 8:30AM, Don Stewart, Vice Chair.

Present: Don Stewart, Tim Tennant, Warren Smalley, John Engs, Jim Heron, Russ Hanscom, Scott Hardy, Caroline Tower, Dan Pyzel, William Lock, Dave Ferro, Ed Beaudette. Absent: Bob Ross

Guests: Marshall Smith, Bob Reib, Railroad Commissioner, Dan Love, and Ken Halterman.

Approval of Minutes: Board meeting of 3/17/18; EC Minutes of 4/12/18 and 5/10/18. Two minor typos. **M/S to approve. Pyzel, Hanscom/U.**

Board and officer elections and Committee appointments. Don Stewart, Vice Chair.

President Tim Tennant reported the following results: There were six vacancies to fill with terms expiring June 2020 with the following vote counts: Ed Beaudette-826, Russ Hanscom-824, Scott Hardy-820, Bob Ross-817, Warren Smalley-819, and Don Stewart-825. All were elected. There were four write in votes for four different individuals. Ballots were accepted and counted at the Friends of the Cumbres & Toltec Scenic Railroad, Inc. corporate office at 4421 McLeod Road NE, Suite F in Albuquerque, NM 87109.

Presented and certified by: Tim Tennant, President and CEO June 23rd. 2018.

Election of Officers of the Corporation: Vice Chair, Don Stewart: Proposed Slate: Chair- Bob Ross; President and CEO- Tim Tennant; Vice Chair- Don Stewart; Secretary-Smalley; Assistant Secretary- Lock; Treasurer-Lock, Assistant Treasurers-Pyzel, Smalley. **M/S/ to approve Tower and Pyzel/U.**

Appointment of Executive Committee Members: Don Stewart, Vice Chair. Proposed Slate: Chair-Bob Ross; Vice Chair-Don Stewart; Secretary -Warren Smalley; Development- Caroline Tower; Interpretation- Dave Ferro; Projects Committee- John Engs; Founder -Bill Lock; Ex-officio, non-voting- Tim Tennant. **M/S to approve, Tower/Pyzel/U.**

Appointment of Committees and Chairs: Vice Chair, Don Stewart: Tower/Pyzel M/S to table until October BOD Meeting/U.

- **Potential Creation of 501(c)(3) by Railroad Commissioner Dan Love:** Made a presentation to the Board regarding creation of a new non-profit corporation for fund raising purposes. Background: The Colorado Legislature has Encouraged the Railroad commission to find additional sources of revenue which could be used to: a) restore the Historic Fleet, b) help us to stay in our historic niche which is 'authentic', i.e. to be the best steam railroad in the US, representing the period between 1929 and the 1950's. c) targeting foundation funds.
- There currently exists an MOU between the Railroad commission and the Friends of the C&TS Scenic RR. Representatives are: Commissioners Dan Love and Dick Cowles representing the RR Commission, Tim Tennant and John Engs representing the 'Friends'; Ed Beaudette and John Bush representing the operational side or management of the Railroad.

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- Action items; how do we position ourselves with the RR Commission vis a vis collaboration and develop our position as an overall entity-do we form a joint venture which is more or less what we did informally when replacing and rebuilding the Lobato Trestle?
- Part of our mission is to support the operation of the Railroad.
- We are all related entities. It should be possible to run grants thru our 501(c)(3) since some corporations will give to our 501(c)(3) and not to what is perceived as governmental agency.
- The states are saying to the RR Commission, in effect: become self-sufficient re: Capital and Operating Costs.

M/S Lock/Hanscom to develop a position statement: which would work with the RR Commission and offer the use of our 501(c)(3) status as a mechanism for the RR Commission to obtain funding. The Executive Committee is charged to develop the language of the proposed agreement at the July EC Meeting as the RR Commission's needs require quick action on our part. **(U)**.

Financial Report including 2017 audit draft and May 31st, 2018 financials: Armando Sanchez of the Nick Loftis CPA LLC Firm, and Tim Tennant: Mr. Sanchez said that the audit went very well in all areas including reconciliation and support from the 'Friends' staff. There were no material findings, no adjustments were necessary and they were able to give us a 'clean opinion'. This is the highest level of assurance. We have good internal controls and there were no material weaknesses found.

- Total assets increased to \$1,375,000.
- Liabilities are at \$35,000
- Operating ratio is 13.7, which is very good; anything greater than 2 is considered healthy.
- Cash flow is excellent.

M/S Tower/Hanscom to approve/U.

President and CEO Tim Tennant then gave the YTD thru May financial Report with print outs: As of May 31st 2018, we are in very good shape. The operation is very sound. **Pyzel/Engs Move to receive/U.**

President's Report: President and CEO Tim Tennant:

- Commission/Railroad items
 - The wildfire burning north of Durango has resulted in an uptick in reservations on the C&TSRR. Some D&S employees have been furloughed as a result.
 - Veronica Bush is seeking actors to participate in a murder mystery train on September 15th, 2018. She needs three men and two women and a male presenter with a thick English accent. The train will depart Chama at 5PM and return at 9PM Contact Veronica at vbush@cumbrestoltec.com. for further information.

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- The next RR Commission Meeting will be Saturday July 28th at the Parish Hall in Conejos, CO. The HPCC meeting that John Eng, Ed Beaudette and Tim will attend is on Friday July 27th.

Friends Items:

- The Locomotive 315 photo charter on June 2nd and 3rd went well; but due to several lightning strikes and rain and cold, ridership was down on the 2nd day. We made a small profit since the turnout for the 2nd day was less than anticipated. (note: it costs \$4,000. Per day to operate the loco).
- We received a check in the amount of \$16,366.66 as the beneficiary on an Exxon/Mobil policy held by member James R. Fisher who passed away on February 18th, 2018.
- We also received a grant of \$1,000 from the Dean S. Edmonds Foundation designated for passenger car trucks and brakes program We thank him and his Foundation for his continued support over the years.
- Valley Lowrance will be present for the installation of the signs and plaque on the Antonito CRF in memory and honor of her husband Ed Lowrance on Wednesday, June 27th. It should also be noted that Valley made a \$2,000 gift to the PNGPF in Ed's memory.
- We have twenty more copies of the "Marshall Plan" made up so there are now plenty of copies for those of us who wish to make a presentation to civic groups or for use at train shows. These have been well received and many members have requested copies for presentations.
- We have a great group of office volunteers: Robin Marshment Henry, our librarian, and Richard Lind of Rio Rancho who consistently work in the 'Friends' Library every Thursday cataloging materials. Wes Pfarner comes in three afternoons a week to work on the photo collection. These people make their presence felt by all of us when we need reference materials, etc. we know where and how to find it.
- The Moonlight and Wine Tasting Train is coming up on Friday July 27th. Currently there are 60 reservations and we are beginning to advertise locally for the event. Departure from Chama is 5PM.
- The fall Photo Freight Charter is scheduled for September 29th, 30th, and October 1st. the two-day charter for September 30th/October 1st is sold out with the one-day September 29th train still having a little over 20 seats available.
- Our Fall Board Meeting will take place in Golden, CO at the Table Mountain Inn. Thursday October 18th will be the Projects Committee Meeting with the Board Meeting on Friday, October 19th starting at 8:30 AM and the banquet that evening at 6PM. We'll have a group train ride on Saturday October 20th on the Georgetown Loop RR. A block of rooms, rate \$169/ for 'traditional'

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Room and \$179/night for a 'grand' room at Table Mountain Inn; 303-277-9898.

On a personal note: Tim thanked us as an organization for all for our efforts and help in the first half of 2018 during this special 30th anniversary year and how much we have accomplished over the course of our rich history. He especially thanks the Board for our time and resources which we give generously.

M/S Pyzel, Smalley to accept. (U).

Membership Report: Don Stewart, Vice Chair: We are essentially holding steady at 2333 paid memberships as of June 19th. Gains from the TRAINS mailings are 232. Photo Freight and special Charter reduced rates for joining Friends have generated 20 new memberships. Additional programs to increase membership are: Brochures in Chama, Antonito and Osier, attending Model Railroading shows/meetings, ads in magazines other than TRAINS-White River Productions, NMRA Magazine (Model Railroaders), RV Living and Motorhome magazines; distribution of the 'Marshall Plan' video (about 35 distributed so far). New programs or incentives are needed to dramatically increase membership. **M/S Smalley, Pyzel to accept (U).**

Master Calendar: Bill Lock, Founder: Moonlight Train will be July 12th 2019.

Work sessions are as follows: A. May 20-24, 2019: B. May 27th-May 31st, 2019: C. June 17th-21st, 2019: Annual Membership Meeting: Friday June 21st, 2019: Annual Board Meeting: Saturday June 22nd, 2019. Work Session D. June 24-28th, 2019: E. July 29th-August 2nd, 2019: F. August 5th August 9th, 2019: G. September 23rd-September 27th, 2019.
Other Board Meeting Dates: October 19th, 2018, Golden, CO: Spring-March 16th, 2019- Location TBD: Fall-Saturday October 19th, 2019-Location TBD. Tim Tennant and Bill Lock will look into possible MLT on Saturday, June 15th, 2019

M/S Hardy/Hanscom to accept (U).

Collections Committee: Dan Pyzel, Chair: We are transitioning a display box car to a working car.

We are moving very carefully with de-accessing older cars so as not to jeopardize our 'Landmark Status'. We are re-purposing them and not selling or buying cars.

The flat car which is at Sandia H.S. in Albuquerque will likely not be rebuilt there due to the people who were interested have moved on or graduated, so we are going to bring it back to Chama. We have the parts and the wood stored in a safe place in the meantime.

M/S Lock, Hardy to accept (U)

Development Committee: Caroline Tower, Chair: For the period Jan. 1st-May 31st, 2018, Special Projects donations exceeded donations to General Operating Category for the first time! \$47,226 v. \$16,848!

Grant Activity: We have discovered two foundations who like to donate money to finish projects.

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Development (cont'd): There was a brief discussion of our investment policy which was tabled until the Next EC Committee Meeting, and then to be brought before the whole Board on the October 13th meeting. **M/S Pyzel, Ferro to approve (U).**

Interpretation Committee Report, Dave Ferro, Chair: He needs volunteers or interested people to help develop a proposal for the display of cars in the Chama Yard. He has identified areas in the yard which are relatively accessible and would be suitable for this. **M/S Lock, Smalley to accept (U).**

- **Projects Committee, John Engs, Chair:** Project accomplishments continued in the early sessions SS1, SS2, SS3, A and B.
- In Special Session SS1 the storage shelves, bolt storage and the tool room were moved to the new lean -to opening up the floor area of the CRF.
- SS2 assembles the new cab for engine 168.
- SS3 was an early work session on stock car 5674.
- During the sessions progress continued with the truck and brake project as new wheel set had arrived for the composite trucks going on car 053. Car 0400 caboose had the cupola windows repaired. Car 0579 caboose had roof covering replaced on one end in order to install a stove pipe. Car 0503 had roof nailers replaced and new sign boards on both sides to stop water leaks.
- Flanger OJ was prepared for painting in session C. Car 6200 flat had decking removed and cleaned, repairs made, painted and lettered ready for new decking. The 3-rail display boxcar 3159 has had the siding repaired; stock car 5774 had one of the upper sills replaced and DBG787 was painted and lettered.
- Session C in Chama has many more projects under way.
- At the COS work site, the Tourist Sleeper is coming along with most of the interior finish completed. Work now is to set the coupler pocket support brackets so the oak floor can be installed. Next, soft copper will be installed around the outside of the clerestory windows followed by the roof installation which is costing \$21,00. The roof will be a 20oz copper -lead washed and soldered. Installation will follow the side view original photo of the car. The foundry is completing the final castings of seat frames and when the floor is installed we can start to assemble the interior contents. Our best estimate for completion in mid-year 2021. **M/S Smalley, Tower to accept (U).**

12:30 PM M/S Lock, Pyzel to go into Executive Session (U).

1:40 PM Came out of Executive Session

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M/S Engs/Ferro. to send a letter of Reprimand on behalf of the Board of Directors to a (publicly) unnamed volunteer for numerous violations of safety practices and failure to follow direct orders from persons with direct authority over him. **(U).**

New Business: Bob Reib, a guest presented a proposal from the floor regarding a Car Repair Facility in Chama on Land owned by the Friends. It has power, water and two acres available at the end of the current yard in Chama. It could be triple the size of the existing CRF in Antonito. He envisions a structure 100' feet long and three bays wide. With 2 more tracks on the outside and a turntable we could have as many as 19 cars on the property. After some discussion **M/S Smalley, Lock to table until the October Meeting. (U).**

M/S Lock/Hardy to adjourn (U). meeting was adjourned at 2:00PM MSDT.

Respectfully submitted:

Warren D. Smalley, Secretary to the Board