

JUNE 22ND, 2019 BOARD OF DIRECTORS MEETING
FRIENDS OF THE CUMBRES & TOLTEC SCENIC RAILROAD, INC.
Held at the Chama Village Hall, Chama, NM

Meeting was called to order by Chairman Bob Ross at 8:30AM: All members were present: Bob Ross, Chair; Don Stewart, Vice Chair; Tim Tennant, President and CEO; Warren Smalley, Secretary; Bill Lock, Founder; Ed Beaudette; Greg Coit; John Ferrell; Russ Hanscom, Scott Hardy; Jim Herron; Wayne Huddleston; Ian Kelly; Dan Pyzel; and Caroline Tower.

Guests: Bob Reib; Marshall Smith; Dave Ferro; and Fuzzy Anstine

Minutes of previous BOD Meeting and Executive Committee meetings: Warren Smalley, Secretary; March BOD March + April and May Executive Committee Meetings:

M/S to approve Pyzel/Lock (U).

Director Election Results: President Tennant:

- John Eng: 901
- James Herron 900
- William Lock 903
- Dan Pyzel 901
- Caroline Tower 890
- Wayne Huddleston 894
- John Ferrell 896
- Greg Coit 895
- Ian Kelly 896

These results were certified on June 22nd and counted in the Friends Albuquerque Office with the above-board members elected to two-year terms. Also receiving votes on a write in basis were: Earl Knoob, Steve Jackson, John Cole and Steve Forney. All received 1 vote each.

Board of Director Officer Elections and Committee Appointments: Proposed by Chairman Ross:

- Chair-Don Stewart
- President and CEO- Tim Tennant
- Vice chair- Caroline Tower
- Secretary- Warren Smalley
- Assistant Secretary- Bill Lock
- Assistant Treasurers- Bill Lock, Dan Pyzel, Warren Smalley

M/S Beaudette/Pyzel to elect the nominees above (U).

Appointment of Executive Committee Member nominees (Ross).

- Chair- Don Stewart
- Vice chair- Caroline Tower
- Secretary- Warren Smalley

- Development- Caroline Tower
- Interpretation- John Ferrell
- Chairman Projects Committee- John Engs
- Founder Bill Lock- ex officio
- President- Tom Tennant- ex officio, non-voting

M/S Lock/Tower to elect the above slate (U)

Appointment of Committees and Chairs: Ross and Stewart

- Development- Tower
- Finance- Lock
- Projects-Engs
- Nominating- Herron
- Membership- Coit
- Interpretation- Ferrell

Presidents Report: Tim Tennant

Commission/Railroad:

- The Railroad season opened May 25th, 2019 with the presence of the Tourism secretary for the state and a representative from National Senator Tom Udall's office present as well as dozens of the public. We had the usual raising of the flag, the rifle and whistle volley and blessing of the train by a clergy person in Chama. The flag was raised in Antonito along with several attendees from the public. Bob Ross represented the Friends in Chama and Ed Beaudette in Antonito.
- The 50th anniversary of the C&TSRR Committee is headed by Stathi Pappas. John Engs is a member of this committee and we will be celebrating 140 years of steam over Cumbres pass and the Golden Anniversary of the C&TS RR as a separate operating entity. The current plans call for two celebratory runs of Rotary OY in late Feb-early March: July 22nd is the tentative date for a gala with a charter run by the Friends, as well as antique tractors and much more; possibly a triple header up the pass, special Galloping Goose runs and speeder trips in the yard, going as far as the end of the wye.

Friends Items:

We received a \$3,000 gift from John Crawford, a Friends Docent from northwest Illinois. Thanks to John for his wonderful donation. In addition, a \$2,500 PNGPF donation for capital support was received from Hubert and Judith Lattan so we express our appreciation to them for this gift.

- A final distribution from the Francis B. Corey Revocable Trust in the amount of \$310,124. This is in addition to the \$46,881.08 that we received earlier in the year. Together they total \$357,005.08. Mr. Corey was an Albuquerque Friends member who worked for Sandia Labs. He had no children and was not real involved in the organization but had a real love for the Cumbres& Toltec and our work. It is an unrestricted gift and certainly the biggest bequest the Friends have received in 15 years. We thank Mr. Corey's sister Mary C. Dierschke who lives in the Dallas/Ft.

Worth area and has been our primary contact. We were totally unaware that this second disbursement would be of this magnitude!

- The Moonlight and Wine Tasting Train is scheduled for July 12th departing Chama at 500PM. The Parlor Car is sold out and total reservations stand at about 75 people. Advertising in the “Albuquerque Journal” will drum up more business.
- Scott Gibbs and Ed Beaudette have put into motion a 1-day charter with the 315 from Antonito to Chama on Saturday, August 3rd. It is planned to be a mixed train utilizing newly restored coach 292 with fares for Friends and the DHS being \$225 and the general public at \$250 per person. The 315 would reduce their cost to \$2,000 for the day to use the locomotive with the two organizations splitting the profits. It is really geared to the members of the DRHS and Friends, plus it falls right between work sessions E & F. We have about 20 reservations after only a couple of days of marketing.
- Boy Scouts of America: We are sponsoring the Railroading Merit Badge for the Great Southwest Council headquartered in Albuquerque. Mary Mazza-Andersen who is on their staff and whose husband Bob worked for the C&TS many years ago, approached us with this opportunity. The sponsorship costs \$2,000. John Eng and I are working with Mary to try and establish a time when several of their troops could come and participate in a Friends work session and experience a train ride. John Eng is working with Mary as she has seven scouts that could come for work session D. We will also work towards establishing dates during the 2020 work session and cultivate this.
- Reminder of our Fall Board Meeting and banquet in Colorado Springs. We will be at the Radisson Hotel, Colorado Springs Airport. The room rate is \$119/night. The Board meeting/Banquet will happen on Friday October 25th and the Projects committee meet on Thursday, October 24th. Hotel address is: 1645 North Newport Road and the reservations number is 719-597-7000. John Eng is arranging for a Saturday October 26th full tour of the Trolley Museum and run down of the Tourist Sleeper Car at the Colorado Springs work site and Trolley Museum.
- Matt Kennicott, Vice President of Communications for the Waite Corporation of Albuquerque will be with us during our brain storming session. Tim met with Matt and Lauren Hyde in April to discuss the issues surrounding marketing to multi-generational audiences. Their firm has made a proposal to us regarding helping with new member cultivation and reaching the “G-Xers and Millennials” plus “Baby Boomers” to accomplish this.

Turning the corner on the first half of 2019, Tim expressed his thanks and help for everyone and especially his deepest appreciation to Bob Ross for his guidance and Leadership over the past few years as Chairman. His support has meant a great deal to him personally and the organization.

Membership Committee: Don Stewart, Chairman:

We are holding relatively steady at 2,222 members. We had 91 attendees at work session ‘C’ and 101 at the ‘D’ session. These are roughly the same as last year’s numbers. Usually about 10% of members, or 220 attend work sessions each year.

Chama Futures: Don Stewart, Chairman:

Don recently sent out a survey to all Friends members to get opinions on how to increase membership; answer some questions about how members support the organization in addition to paying dues and

reasons why they attend or don't attend work sessions. Don sent out a comprehensive analysis of the 205 respondents (roughly 10% of membership) who answered. This is a great rate of return compared to most mail surveys. A sampling of answers follows:

- ✓ Q 1. How do you support the friends? A. 98% - dues; Work sessions-41%; Property donations-10%; other- 23%.
- ✓ Q 3. How many Chama or Antonito work sessions have you attended? A. Chama72% (1145 sessions); Antonito28% (449 sessions).
- ✓ Q 4. If you have not attended a work session, is there a specific reason? A. Medical/Physical- 42%; Altitude- 4%; Cost- 27%; Time-37%; Distance-26%
- ✓ Q 10. What are your suggestions for attracting new members? A. More advertising in RR related media-25%. Attend Narrow Gauge Modeling Conventions with a booth- 20% More social media presence- 10%; and other suggestions.

The above is just a sampling of responses- for more detail and graphs- see Don's excellent report.

Financial Report: Tim Tennant, President and Armando Sanchez, CPA of the Nick Loftis firm, CPAs.

- This report included the 12/31/18 2018 and 2017 draft audit and May 31st, 2019 financials. Mr. Sanchez gave the following audit report:
- There were no significant audit adjustments in 2017 or 2018.
- Past audit adjustment: none in 2017 and one small one in 2018 of \$1,000. (One in \$6 million worth of statements).
- No Internal weaknesses were identified.

M/S Beaudette/Lock to approve Draft 2017-2018 Audit (U).

May 2019 Financials:

- Some takeaways from the report:
- Support and Revenue is \$415,619 over forecast due to bequests, membership renewals and PNGPF giving. The month of May alone provided \$344,685 in donations.
- Expenses YTD are favorably by \$38,929 with \$30,732 of that favorable in Materials and Supplies line item.
- The SORFA balance for May 31st, 2019 stands at \$507,992 with \$245,879 being received during the YTD.
- The unrestricted cash stands at \$509,623 which represents a level we have never seen previously.

We are very fortunate that our financial picture is so positive. Giving has been robust to both the restricted projects as well as our unrestricted account. As noted on the SORFA, Caroline's PNGPF letter has produced results by providing the organization with healthy balances.

The Board gives Kudos to Tim, Katarina and Gwen on great results in the audit and financials.

M/S to approve May 31st, 2019 Financials Lock/Smalley (U).

Master Calendar: Bill Lock, Founder:

Due to celebration of the 50th anniversary of the Railroad and 14th year of steam over Cumbres Pass the work sessions will be dedicated to helping prepare for and host the various celebration activity for booths,

gala celebration, readying the tourist sleeper #470 to road service. This represents a onetime change in scheduling and a big chance to sell what we do to the general public.

The Moonlight and Wine tasting Train will run on 7/31/2020.

- The following represents a tentative work session schedule for 2020 (coordinated with John Eng's project committee report).
- Dates for work on tourist Sleeper Car #470 dates in Antonito CRF:
March 21-24th (Sat-Tue); April 4-7th (Sat- Tue); April 18-21st (Sat-Tue); May 2-5th (Sat- Tue); May 16th-19th (Sat- Tue).
- Session A: May 24th-28th Antonito CRF (Sat- Thursday), Start day after opening, includes 2 days of Memorial Day Holiday.
- Session B: Chama/Antonito CRF June 15-19th (Mon-Fri.).
- Session C: June 22-26, Chama/Antonito CRF Preparation work and projects (Mon-Fri).
- Session D: July 17th-26th; Antonito Primary/Chama Limited Events Demos & Projects (19th Century) (Friday-Saturday).
- Session E: August 17th-21st: Chama Primary-Antonito Limited. Prep for 50th Anniversary Gala (Mon-Fri).
- Session F: Augusts 22nd-30th. Chama Primary- Antonito Limited- 50th Gala Week; many events, show and tell, tours, restorations, Etc. (Sat- Sun).
- Session F: Sept 23-27th, Antonito CRF close down in Chama and Antonito, continue work on projects (Wed- Sun).

Collections Committee: Dan Pyzel- Chair:

The flat car #4565, that was at Sandia High School has been returned to Antonito. We are working with the Railroad and RR Commission on de-accessing some cars. In some cases, the parts on some are worth more than the car as it is.

Development Report: Chair, Caroline Tower:

- The PNGPF has been given \$1,340,000 from inception to present May 2019. \$104,320 has been given YTD.
- Grant activity: We have been given \$1,000 from the Denver Garden R Society for signage in the garden area adjacent to the Chama station.
- We discussed moving \$15,000 from unrestricted funds to finish grants for the completion of the expansion of the Antonito CRF. **M/S Lock/Smalley to move \$15,000 from unrestricted PNGPF to finish grants given to complete the expansion of the CRF (U).**
- Investment policy: In view of the generous amount of donations given to the PNGPF; it was decided to not send a fall fund raising letter for the PNGPF. **M/S Coit/Lock (U).**

Interpretation Report: Dave Ferro, Chair: We are looking into using Oncel as a cell phone app for walking tours of the yard, how it relates to railroading in an audio format that would be safe to use while walking around the yard.

Projects Committee Report: John Eng: chair: John gave an excellent PowerPoint presentation on current projects: These include but are not limited to:

- Mortar repointing of the Lava pumphouse; and placing new rafters for the roof.
- Reverting the old p-boxcars back to boxcars
- Work on the tiple pit
- Stabilizing the erosion on the riverbank next to the pumphouse.
- Evaluating the new safety manual at the fall meeting and update safety changes (appointee's yet to be named).
 - Colorado Springs: Tourist Sleeper # 470. The interior is done; paneling, floor installed, seat configuration, castings and brass fittings.
 - **M/S Pyzel/Lock to accept report (U).**

Discussion of six-page dissertation by Tim Tennant to Board on membership, work sessions and generational marketing. Tennant, Ferrell and Board:

- Millennials- not trusting of organizations.
- We have to be as authentic as possible.
- Need to paint a 'cause' picture plus experience.
- Takeaways: Talk with media experts marketing generational activities. Tim's contact can generate a study on demographics of millennials for \$750-\$2,000; develop a social media committee, Chamber of Commerce Speakers and expanding the print run of the "Dispatch".

Executive Committee: M/S to go into Executive Committee Meeting Lock/Smalley (U).

M/S to come out of Executive Committee Meeting Lock/Smalley (U).

Action: No action was taken.

M/S to Adjourn Pyzel/Smalley (U).

Respectfully submitted

Warren D. Smalley, Secretary