

**Final Draft**  
**Friends of the Cumbres & Toltec Scenic Railroad, Inc.**  
**Board of Directors' Meeting – March 19, 2016**

**Attendance:** John Engs, Scott Hardy, Jim Herron, Bill Lock, Ed Lowrance, Craig McMullen, Dan Pyzel, Bob Ross, Linda Smith, Dennis Sterosky, Don Stewart, Tim Tennant and Caroline Tower.

**Guests:** Brad Lounsbury, Phil McDonald and Ted Smith

**I. Call to Order**

Chairman Ross called the meeting to order on Saturday, March 19, 2016 at 8:30 a.m.

**II. Approval of Minutes**

Chairman Ross asked for corrections to the minutes of the October 23, 2015 Board meeting and the Executive Committee (EC) meetings held on November 24, 2015; December 17, 2015; January 21, 2016; and February 25, 2016. A typographical error on page 6 of the Board minutes was noted by Don Stewart.

**M/S Caroline/McMullen** to approve the Board minutes with correction as noted. **Passed unanimously.**

**M/S Stewart/McMullen** to approve the EC minutes as presented for November 24 and December 17, 2015; and for January 21 and February 25, 2016. **Passed unanimously.**

**III. President's Report**

President Tennant submitted his detailed activity report to the Directors prior to the meeting. He highlighted the following:

A. Friends' Items

- Robin Marshment Henry will replace Vern Glover as the Friends' Librarian. Vern has served the Friends in this important role since 2013. He is working on several railroad-related history projects and needs to devote more time to these endeavors. Tim thanked Vern Glover for his dedicated service and welcomed Robin to this role.
- The Dorman photo volunteer team continues to progress in making the collection even more accessible to a wider audience as evidenced by the following site:

<http://ngtrainpicks.photoshelter.com/>

- Another *TRAINS Magazine* member solicitation mailing is in process. The Friends have paid for 8,617 subscriber names in the states of California, Colorado and Texas. Past solicitations have resulted in a 2% positive return.
- Work is continuing on the Friends' video presentation – a DVD which will ultimately be 15 minutes long, focused on membership recruitment. It is designed to be used by Friends' members who are willing to make presentations at service clubs and civic events.
- The Friends' have sponsored two successful charter events in 2016. One, a private railcar trip to New Orleans in February, was sold out with 46 passengers. The

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Flanger Photo Charter, which operated in March 2016, was also sold out with 40 photographers, five of whom joined the Friends. Another private railcar charter, from Los Angeles to Seattle, will operate in May 2016. Tim estimates that these three events will net the organization in excess of \$21,000. In addition, they provide good opportunities to recruit new members.

- The Friends' Moonlight and Wine Tasting Train is scheduled for Friday, July 15, departing Chama at 5 p.m. for Osier and returning at approximately 11:30 p.m. Some 15 reservations have been made so far. Fares are \$150 per person for the Parlor Car; \$125 per person for Tourist; \$89 per person for Friends' Coach; and \$99 per person, general public Coach.
- The mid-year Board meeting and annual membership dinner is scheduled for Friday, June 24 and Saturday, June 25. The dinner will be held at Our Lady of Guadalupe Parish Hall in Conejos at 6 p.m. A motor coach will be available to transport members from Chama to the parish hall and back. The Board meeting will begin at 8:30 a.m. on Saturday, June 25, at the High Country Restaurant in Chama.
- The fall Board meeting and banquet is scheduled for Friday, October 14, 2016 in Alamosa, CO. A block of rooms has been secured at the Fairfield Inn. The banquet will be that evening, 6 p.m., at the Cattails Golf Course. Tim is working with C&TSRR staff to obtain a group rate for a Saturday, October 15, ride from Antonito to Osier and return.

**B. Railroad/Commission Items**

- The next Commission meeting will take place at 9 a.m. on Saturday, April 30, 2016 in Chama, NM.
- The railroad will open on Saturday, May 28, 2016. All five locomotives should be operational for the start of the season, as reported by President John Bush.
- The Commission's \$615,000 New Mexico capital outlay request (\$300,000 for locomotive work and \$315,000 for track) has been approved by Governor Martinez.
- Tim thanked Commissioner Billy Elbrock and President John Bush for attending the Friends' dinner on March 18 and providing remarks.

**IV. Membership Committee Report**

Don Stewart provided the highlights of his Membership Committee status report dated March 19, 2016. Specifically:

- Of the 2,397 current total memberships, 1,935 are paid memberships as of March 11, 2016. This represents a 7.1% increase in paid memberships from December 2015.
- Overall increase in total membership (including both free Parlor Car and paid members) is 17.2%.

Don also advised that a reporting error during the last two years resulted in Parlor Car memberships not being deducted from total memberships. Correcting this error has reduced total membership numbers downward, but has eliminated the wild swings in numbers. The 7% increase is especially positive considering that there is a membership lag this time of year. The increase could be a sign that the economy is improving and/or that the Projects Committee's successful push to attract volunteers is resulting in new members.

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Don also reported on the progress of telephone calls to encourage lapsed members to renew. Of about 100 calls made, 10% stated that they would renew and 10% said they would “think about it.” Some 15% said they would not renew, and the remainder were not available for various reasons.

Actions are underway to send out letters to a large mailing list purchased from *TRAINS Magazine*. This mailing to subscribers in Colorado, Texas and New Mexico will occur at the end of March 2016.

Caroline Tower raised the question to the Board of the value of the free Parlor Car membership program. The initial expectation was that the Friends would experience a 10% renewal rate. For the two-year period the program has been in place, the actual renewal rate has been 1%. After a discussion as to the pros and cons of the program, a motion was made as follows:

**M/S Lowrance/Tower** to discontinue the free membership program for Parlor Car riders on the C&TSRR. **Passed unanimously.**

**M/S McMullen/Engs** to accept the Membership Committee report as presented. **Passed unanimously**

**V. Finance Report**

Tim Tennant presented the finance report.

For the year ending December 31, 2015, the Friends finished in a strong position with an unaudited profit of \$27,157. In particular, Tim noted that PC co-chairs John Engs and Ed Lowrance have done well in managing their budget, resulting in a favorable variance of \$26,611 on the expense side of the ledger. For the period ending February 29, 2016, the organization's revenue is approximately \$8,000 more than budgeted and expenses are approximately \$4,800 under forecast. While there is a deficit of \$18,873, it is due to a delay in booking revenues from the Flanger charter ticket revenues which will be reflected in March financial reports. Expenses for that charter are reflected in the February statements.

Tim noted that on the Summary of Temporarily Restricted Funds Activity (SORFA) report, transfers were made among several *Preserving the Narrow Gauge Past for the Future* (PNGPF) accounts to reflect the fund's current status. Specifically, funds associated with RPO 54 and Cook Car 053 have been transferred to the Trucks & Brakes account as work on the cars has been completed and the focus now is on completing truck sets for them.

Tim explained a variance in Expense Account 6900 (Charitable Donations) of \$2,500 which reflects donations from an individual for K-36 locomotive support. As the railroad receives capital funding to support K-36 maintenance and operations, C&TSRR President John Bush asked if the donor would switch the contribution's purpose to the Locomotive 168 restoration project. The donor agreed and a check was sent by the Friends to the railroad.

The Friends' Certificates of Deposit of \$107,857.72 were moved during the fourth quarter of 2015 from U.S. Bank, where they were earning .25% interest, to BBVA Compass Bank for a 19-month period where they are earning 1.2%.

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Following Tim's report, a discussion ensued which focused on spending priorities for the Friends' restricted accounts, and most notably, PNGPF listed projects. During 2015, the PNGPF fund-raising program was revised to reduce the listing of potential funding targets. At that time, a new category was established, called Major Restoration Projects, which covers several current high-priority initiatives which were previously listed separately. It was agreed that the PC will expend funds in these older project categories as a first priority within PNGPF to close out those accounts. It was also agreed that restricted funds from charitable organizations, e.g., National Trust for Historic Preservation and the Tom E. Dailey Foundation, should be given the highest priority in terms of expending funds so that final reporting can be accomplished by the granting organization's deadlines.

**M/S Stewart/Smalley** accept the Finance Report as presented. **Passed unanimously.**

**VI. Development and Interpretation Committee Report**

Caroline Tower presented highlights of the written Development and Interpretation Committee report.

A. PNGPF

Since the inception of the PNGPF fund-raising program in 2012 through February 29, 2016, donors have generously contributed \$582,918. For the period January 1 – December 31, 2015, \$195,361 was raised. By far the largest donor support has been designated to three categories: Major Restoration Projects, Work Session Support, and General Operations.

During CY 2016, there will be two member appeals: one this spring and another in the fall.

B. Grants

The Committee has developed and submitted a preliminary proposal for the Ludwick Family Foundation focused on the Trucks and Brakes Project. If successful, the Friends will be invited by Ludwick to submit a full proposal, covering the remaining project costs in the amount of \$65,000. The Committee has also developed a grant-writing calendar and plans to submit 6-8 additional grant proposals during 2016, depending upon scheduling of targeted projects.

C. Interpretation

Interpretive signage at Osier, consistent with the Friends' Master Interpretive Plan, has been fabricated and will be erected during the 2016 work sessions. Work is now underway on preparing text and photos for similar interpretive signage at Cumbres Pass and the Chama rail yard.

The proposed Cumbres Trails Project, a joint venture between the Friends and Volunteers for Outdoor Colorado, has been delayed due to the Forest Service's concern about right-of-way issues. Tim Tennant will discuss this matter with John Bush in order to develop a path forward.

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D. Docents

Bob Ross reported that the program now has 32 active docents. Several individuals have expressed interest in becoming docents and will take the required training.

**M/S Pyzel/Stewart** accept the Development and Interpretation Committee report as presented. **Passed unanimously.**

**VII. Collection Committee**

Dan Pyzel reported on the current status of committee projects.

Several years ago, the Friends acquired two box cars and a stock car. The PC now has use for two of those cars and they have been moved onto temporary trucks. One of the box cars will be cosmetically restored for display purposes, illustrating the three-rail concept in Antonito. The restored stock car will replace a stock car in the display train.

Stock Car 5995 is now back on the rails for the first time in 60 years. It should be completed by the end of Work Session "G" in 2016. This is a "one of a kind" stock car and will be chronicled in one of the upcoming editions of *The Dispatch*.

The flat car project at Sandia High School is still on hold. Dan is thinking about initiating a work project at the high school in Albuquerque to get it finished. The car has been dismantled and material is on hand to do the restoration work, except for the flooring.

The railroad has acquired five stock cars which will eventually require work by the Friends.

**M/S Lowrance/Tower** to accept the Collection Committee report as presented. **Passed Unanimously.**

**VIII. Project Committee**

John Engs and Ed Lowrance presented highlights from the written Projects Committee report.

The PC is currently experiencing a slow period for project activity with only one active project: Restoration of Tourist Sleeper 0252/470. However, this is also a peak period for Committee administrative work. The 2016 Restoration Project Plan and Schedule, which includes 68 projects, has been released and optimism is high for another year of outstanding volunteer attendance. The PC is once again using Logical Marketing to promote work sessions throughout the season as well as special announcements about gift memberships and two live Go-to-Meeting sessions for FIDO program training.

This year will be the first time the PC has set limits on attendance at specific locations. For sessions A, B and G at Antonito, the limit will be 50 people. In order to give members an option, the PC has opened an additional project in Chama to allow more variety.

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A. Tourist Sleeper 0252/470 (Colorado Springs)

This is the seventh year of an estimated nine-year restoration project to fully restore an 1889 Pullman Tourist Sleeper to its original factory condition. Work is progressing on both the interior and exterior of the car, and the team is finally able to literally “see progress,” as reported by John. This car is the only example of rail travel to the western frontier of Colorado in the 1890’s and – even more amazing – it traveled the same rails then as does the C&TSRR today. The Board was encouraged to access the project’s “blog spot” for detailed narrative and photos about the project at:

<http://friendsofthectsrccos.blogspot.com/>

The blog includes Craig McMullen’s demonstration on fabricating clerestory windows and also work to produce structural members for truck sets. So far, there have been up to 500 “hits” on these entries.

B. Expansion for Antonito CRF

The planned expansion of the Antonito Car Restoration Facility requires approval of the City of Antonito for a 10-foot street encroachment on the Monte Vista Avenue side. An encroachment request has been filed with the city for review. So far, the city has not formally responded to this request.

The purpose of the expansion, which is 30 x 60 feet on the east side of the existing building, will provide additional operational floor space and resolve several safety issues (e.g., work area congestion in the shop area). The building shell, floor and door work will be contracted out. Ed Lowrance is in the process of contacting potential bidders. Preliminary information suggest that the structure itself, including metal shell and concrete floor without interior finishing appears to be \$65,000. This does not include preparation work or relocation of electrical service and plumbing. Some preliminary construction work will take place in 2017; however, the main project, depending upon necessary approvals, would occur in CY 2018.

The Development and Interpretation Committee has identified two Colorado foundations as possible sources of funding.

C. Chama Equipment Storage Facility

The PC has proposed the construction of a centralized storage facility near the Chama rail yard (located on the Friends’ property south of the rail yard) for all gasoline and diesel powered equipment. At present, such equipment is stored in several widely separated locations throughout the rail yard. This facility would store small to large equipment, allowing greater use of the wool warehouse space for carpentry work and remove a potential fire cause from this historic building.

Ed Lowrance has received several quotes for steel buildings (sizes 24’ x 40’ and 30’ x 42’) which will be vetted in the near future.



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Funding for this project should be available in current restricted funds as well as from private donors.

D. Team Leaders

John Eng reported success in recruiting seven new team leaders, and thanked Don Atkinson for his efforts in helping to make this happen. Brad Lounsbury will head up a team to set up standards for work execution so that the team leaders have written guidance for executing their tasks.

**M/S Stewart/Pyzel** to accept the Projects Committee report as presented. **Passed unanimously.**

**IX. Executive Session/Nominating Committee**

Chairman Bob Ross called for an Executive Session at 11:15 a.m. to discuss the June 2016 Board elections and the Nominating Committee report.

As a result of the Executive Session, Nominating Committee chair Jim Herron reported in the reconvened general session that there are currently 14 Board members, six of whom have terms expiring in 2016: Scott Hardy, Ed Lowrance, Bob Ross, Warren Smalley, Don Stewart and Dennis Sterosky. The by-laws state that the number of Board members will be between 14-20. He further stated that Dennis Sterosky will not run for re-election, leaving 13 Board members as of the next election in June 2016.

Two nominations for new directors have been proposed: Russ Hanscom and Wayne Huddleston. Both are long-time Friends' members and possess knowledge, skills and abilities which are very valuable to the organization.

After a brief discussion, the following motion was made and passed:

**M/S Herron/Pyzel** to approve a slate of nominees for the 2016-2018 Board of Directors term, to include: Russ Hanscom, Scott Hardy, Wayne Huddleston, Ed Lowrance, Bob Ross, Warren Smalley, and Don Stewart. **Passed unanimously.**

**X. Adjourn**

The Board meeting was adjourned at 11:45 a.m. with the announcement that the Board would reconvene into a strategic planning session after lunch. The next Board meeting is scheduled for Saturday, June 25, 8:30 a.m. at High Country Restaurant, Chama, NM.

Respectfully submitted,

*/s/Linda Smith*

Linda M. Smith  
Secretary