



**Friends of the Cumbres & Toltec Scenic Railroad, Inc.
Annual Board of Directors Meeting - Saturday June 24, 2023
Village Fire Station-Training Room- Chama, NM**

I. Call to Order:

The meeting was called to order at 8:35 AM MDT by Don Stewart, Chairman

Board Members Present:

Tim Tennant, President and CEO	Ed Beaudette	Jim Herron
Don Stewart, Chairman	John Engs	Ian Kelly
Caroline Tower	John Ferrell	Melissa Sellers
Bill Lock	Scott Hardy	Tom Stewart

Board Members Absent: Dan Pyzel

Guests Present: Armando Sanchez of the SJT Group was present for Finance Report, Randy Young, Bonsall Johnson.

Minutes: Melissa Sellers, Secretary

II. Approval of Minutes:

Board Meeting of 3-17-23, Executive Committee Meetings of: 4-20-23 & 5-18-23

M/S: Lock/T. Stewart - Approve with changes to Board Meeting minutes of 3-17-23
page 2:

From: "Motion: Continue printing and distributing the brochures MS Lock/Stewart U"

To: "Motion: Continue printing and distributing the brochures MS Lock/Stewart; unanimously approved." Unanimously approved.

III. Board and Officer Election and Committee Appointments

A. Board of Directors Election Results – 2023 - Tim Tennant

Results counted and certified by Judy Tennant – June 20, 2023

<u>DIRECTOR *</u>	<u>VOTES</u>
John Ferrell	867
James Herron	865
Ian Kelly	868
William Lock	867
Dan Pyzel	867
Tom Stewart	866



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Others Receiving Votes

John Bush 1
Earl Knoob 1
*2-year term ending in 2025

B. Officer Elections – Don Stewart

- Don remarked that Bill Kepner chose to not stand for reelection for the board. Since Bill will no longer be serving on the board, we need a new secretary and new membership leader. Jim remarked that there are also several vacancies in the board that we need to discuss in the executive session.
- Nomination and Election of Officers of the Corporation
Proposed Slate
Chair – D. Stewart
President & CEO – Tennant
Vice Chair – Tower
Secretary – Sellers
Assistant Secretary – Lock
Assistant Treasurers – Lock, Pyzel

C. Appointment of Executive Committee Members – Don Stewart

- Nomination and election of Executive Committee.
Proposed Slate
Chair – D. Stewart
Vice Chair and Development – Tower
Secretary- Sellers
Interpretation - Ferrell
Projects Committee - Engs
Founder - Lock
Ex-officio, non-voting – Tennant
- M/S: Lock/ Beaudette – Move to elect officers of the Corporation and Executive Committee Members as stated in proposed slates. Passed unanimously.

D. Appointment of Committee Members and Chairs – Don Stewart

Committees and Chairs:

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

- M/S: Lock/ Beaudette – Move to approve committee chairs as listed. Passed unanimously.



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IV. President's Report – Tim Tennant

- On Saturday June 3rd, 2023, Tim dedicated the new parlor car “Jim Wrinn” with Kate Kratville-Wrinn. The parlor car has heat. Kate has some amazing slides and did a slideshow at the dedication. The slideshow was planned late and not properly advertised. More people would have liked to have known that it was happening. Kate has some slides that she is debating donating to the Friends.
- We renewed a CD that was held at Main Bank in ABQ. The interest rate increased from 0.0012% to 4.35%. This will increase our interest income from \$300 to \$11,000 per year.
- We are advertising the Moonlight & Wine train for July 29th. However, we may need to delay the train from 5:00 to 5:15 or 5:30 because it is hard to get the train ready on time.
- The Pikes Peak Community Foundation has money available to distribute. If they can choose how much to give, we should make a presentation to promote the Friends (Carolyn).
- There have been 31 returns so far from Classic Trains Membership solicitation. A few people were unhappy getting requests for membership when they are already members. This is sent out by SalesForce; they don't compare who is on the Classic Trains list and who is a Friends member.
- Tom suggested advertising in Good Sam's magazine or something similar. Consider writing an article about what to do in the Chama area as an RVer and include the Friends organization.
- A G-scale boxcar was created with the Friends logo. We can buy it for \$67 and sell it for \$99. Ed said they used to sell that kind of stuff in the giftshop, but Mark wants to mark everything up too much (\$175ish) then nobody would buy them.
- There are 2407 email addresses in Mail Chimp for the Dispatch extra. We have 2177 active Friends members, so some subscribers might not be members.

V. Auditor's Report (2022) - Armando Sanchez (SJT Group)

- An audit was performed by Schlenker & Cantwell, PA.
- There were no difficulties performing the audit and no audit adjustments.
- There were no material weaknesses identified or deficiencies reported. All documents and transactions matched.



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- Armando distributed a 19-page Financial Statement and Independent Auditors' Report for December 31, 2022 and 2021.
- Member dues revenue has decreased 18% but grants and contributions have increased 39% year-over-year.
- Net assets without restrictions have increased 13.7% and net assets with restrictions have increased 13.9%
- Program, Management & General, and Fundraising expenses combined have decreased by 12.9%
- There is currently no way to add volunteer hours as an asset or as a "contribution" on the Statement of Activities. Accounting says you need to use current market value.
- It is difficult to determine current market value of the varied jobs performed by Friends volunteers. There is a website for volunteer labor hours and what they are worth.
- M/S: Lock/ Tower - motion to approve financials subject to appending the amount on page 9 of the Financial Statements and Independent Auditors' Report, increasing what the volunteer hours are worth. Passed unanimously.

VI. Financial Report (2023) - Tim Tennant

- Donations, member dues, and campaign proceeds are all under what is expected year-to-date (a combined \$70,540).
- John E. suggests – changing the website so that people's member dues are more focused at a higher membership level to help increase member dues funds.
- Salesforce gives snapshots of all donations and what you buy and how you interact with our website. We should look at this in more detail.
- Ron Burkhardt donated \$100,000 towards rebuilding Locomotive 492, pushing our overall support and revenue above expected YTD by \$48,675.
- Salaries and Wages is over budget by \$12,390, due to paying Steve Thomas for IT related work. However, Professional Fee-IT is under forecast by \$8,171.
- John E. suggested having Steve "code" when he does different jobs so if he does IT, it should be charged under the IT line item so that the expense is more in line with what was done.



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- Excess revenue over expenditures is \$25,828.54 YTD.

VII. Master Calendar – Bill Lock

- Bill presented dates for the 2024 Moonlight Train. The date recommended is Saturday July 20th, 2024. It is the day before the full moon.
- Dates were recommended for the 2024 and 2025 work sessions.

Planned Work Sessions in 2024 and 2025:

Session	2024 Dates	2025 Dates
A	May 20 – 24	May 26 – 30
B	May 27 – 31	June 2 – 6
C (Chama)	June 17 - 21	June 16 - 20
Annual Membership Meeting	June 21	June 20
Annual Board Meeting	June 22	June 21
D (Chama)	June 24 – 28	June 23 – 27
E	July 29 – Aug 2	July 28 – Aug 1
F	Aug 5 – 9	Aug 4 – 8
G	Sept 23 - 27	Sept 22 - 26

- Other dates noted:

Upcoming Board Meetings:

2023 - Fall Board Meeting	October 27, 2023
2024 - Spring Board Meeting	March 16, 2024
2024 - Fall Board Meeting	October 26, 2024

Important Railroad Dates:

2024 - Traditional Railroad Opening Day	May 25, 2024
2024 - Memorial Day	May 27, 2024
2024 – Traditional Railroad Closing Day	October 28, 2024

- John E. recommended discussing summer project schedules with Ed B. in December so we can start prepping the RR about what projects we want to do and can better coordinate our work sessions in Chama with the railroad.
- John E. recommended accepting dates for 2025 and have C & D sessions in Chama, we can alter at later meetings if needed.



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- M/S: Lock/Beaudette – moves that we hold the moonlight train on July 20, 2024, and accept schedule as listed for 2025. Fall board meeting Oct 26, 2024 location TBD. Passed unanimously.

VIII. Collections Report – Dan Pyzel

Collections Committee report skipped; Dan not present.

IX. Development Report - Carolyn Tower

- PNGPF (Preserving Narrow Gauge Past for the Future) fund from Jan 1 to May 31, 2023 has brought in \$57,438 with the largest amounts being dedicated to Work Session Support, Operating, and Major Restoration Projects.
- Line item “RPO Car 54” shows an amount of \$35. This is an odd amount that should be checked.
- Since inception of the PNGPF in around 2012, proceeds have been \$2,002,277.

X. Interpretation Report – John Ferrell

- John F– most of sign garden installed. Whistle board and main board still needs to be done.
- Jr. Eng. program is running well. Many people are happy. Online is developing, we are getting more material developed from volunteers.
- Ian is helping with Hollywood car and will help with copyright issues and can deal with clearances. John watched all movies -time stamps of when RR appears.
- Museum car is packed and ready to move to Antonito.
- Melissa did a presentation on QR codes and how they can be used in the Friends organization. Interpretive committee should discuss ways QR codes can be used on signs in Cumbres and Osier.

XI. Projects Committee Report – John Engs

- \$16,000 for a safety monorail device at the CRF. Asking board for \$ to purchase it. Must be inspected after it is installed. Quote is for installation only; certified Engineer needs to approve. Withstand 5000 lb. force that is required.



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- M/S: T. Stewart/ Lock – moves that we approve the \$16,000 for the safety device and to get an Engineer to approve installation. Passed unanimously.
- John E. appreciates Don A. for stepping up and helping with project management of 163 baggage car restoration. Outside sill deteriorated, they are fitting new pieces in.
- Ian stated that the Extension over CRF is brilliant. It provides extra shade and allows people to keep working if it rains. It will get two more cars undercover over the winter.
- John E stated that the CRF will have a separate work track in cement to work so we don't have to use the main line. Thanks to the RR for joint bars and track for us to be able to do that.
- Randy Young, the architect creating the master plan for Cumbres project, said that he came to the meeting to get an idea and understanding how the board works to help him develop the master plan. Has a committee of 8 for this team.
- John E shared the Cumbres Pass Trail building project that runs from July 24th through August 4th, 2023 in conjunction with Boy Scouts. Ed suggested that we print this and share with the commission. The proposed trails are on RR property.

XII. Executive Session

- 12:15 pm – M/S: Lock/ Beaudette – Moves to go into executive session. Passed unanimously.
- Executive Session – closed
- 1:03 pm – M/S: Lock/ Tower – Moves to get out of executive session. Passed unanimously.

XIII. Filling Of Vacancies

- M/S: Lock/Sellers – Moves to elect Frank Higgins and Chuck Halaska to the board for the remaining 2-year term to summer of 2025. Passed unanimously.



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XIV. Railroad Report/HPCC - Scott Gibbs

- Scott stated that this year the railroad focused on how to increase ridership on trains 215/216 rebuilding from Covid (2020 & 2021) and fire cancellations (2022).
- Booking comparison vs last year of “normal” operations in 2019: 96% of booked ridership, 124% percent of revue. FY ends June 30. For FY 2022-2023 ridership will be over 32,000.
- Scott presented Historic Preservation Account (HPA) check of \$54,440. Should be around \$68-70K for this year (2022-2023) for Friends from Historic Preservation Fees.
- Changed Payroll ADP and established Simple IRA for workers. Raised compensation 9.67% for employees.
- Scott is leading the search to replace himself. 15 applicants. Managers are going to give a short list to the commissioners to interview.
- Property insurance is high. Trestle fire and Osier fire – last 20 years of premiums do not cover the costs of the claims. Plus, property values have gone up. RR was underinsured. 416 fire in Durango and Steadfast insurance company exiting the market are raising insurance costs. Insurance is tied to revenue, as RR revenue increases, insurance cost increases.
- RR is back to pre-pandemic levels of funding from Colorado and New Mexico. \$3m Covid funds from Federal govt needs to be spent in the next two years. RR just got rules on how it needs to be spent. It is all capital expenses and no operations. Potentially Lava water tank, upgrade track (not repairing), ((\$12,000/mile to take care of the RR.)) Rebuild Tamper or replace – but difficult to get narrow gauge.
- FY23-24 budget summary was approved and is posted on the Commission web page.
- Session C had as many Friends volunteering as the RR has working in Cumbres Toltec Operating.

XV. New Business

Bill stated that he attempted to get Non-profit status for the Chama property. Rio Arriba County didn't think we had a charitable purpose. Bill was given until the end of June to provide additional documentation. We gave \$100k for water and \$25k for food bank.



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XVI. Adjournment

2:13 pm M/S: Tower/T. Stewart – Moves to adjourn. Passed unanimously.

Respectfully submitted,

/s/ Melissa A. Sellers

Melissa Sellers
Secretary