



**Friends of the Cumbres & Toltec Scenic Railroad, Inc.
Annual Board of Directors Meeting – Saturday June 22, 2024
Down Home Hotel – Chama, NM**

I. Call to Order:

The meeting was called to order at 8:33 AM MDT by Don Stewart, Chairman.

Board Members Present:

Tim Tennant, President and CEO	John Engs	Steve Jorgensen
Don Stewart, Chairman	John Ferrell	Ian Kelly
Caroline Tower, Vice Chairman	Scott Hardy	Dan Pyzel
Paul Davenport	Jim Herron	Melissa Sellers
Ed Beaudette	Frank Higgins	Don Atkinson

Board Members Absent: Bill Lock, Tom Stewart

Guests Present: Bob Reib, John Porco, John Bush, Armando Sanchez

Minutes: Melissa Sellers, Secretary

II. Approval of Minutes – Melissa Sellers

A. March Board of Directors Meeting

- M/S: Tower/Pyzel – Moves to accept March Board Meeting Minutes. Passed unanimously.

B. April/May Executive Committee Meeting

- M/S: Lock/Ferrell – Moves to accept April/May E.C. Meeting Minutes. Passed unanimously.

III. Board and Officer Election and Committee Appointments

A. Board of Directors Election Results – 2024 - Tim Tennant

Results counted and certified by Judy Tennant – June 18, 2024

<u>DIRECTOR *</u>	<u>VOTES</u>
Don Atkinson	810
Ed Beaudette	817
Paul Davenport	818
John Engs	819
Scott Hardy	815



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Melissa Sellers	820
Don Stewart	820
Caroline Tower	816

Others Receiving Votes

Russ Fischer (inactive)	1
Chase Bond (not a member)	1

*2-year term ending in 2026

B. Appointment of Officers – Don Stewart

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

Proposed Slate

Chair – D. Stewart
Vice Chair and Development – Tower
Secretary and Education - Sellers
Interpretation - Ferrell
Projects Committee - Engs
Founder - Lock
Ex-officio, non-voting – Tennant

D. Appointment of Committee Members and Chairs – Don Stewart

Proposed Slate

Committees and Chairs:

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



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- Ian suggested that we add a communications committee. At this time, we have nobody willing to take the position of membership or communications chair.
- M/S: Tower/Kelly – Move to elect Officers of the Corporation, Executive Committee Members and Committee Chairs as stated in proposed slates. Passed unanimously.

IV. President's Report – Tim Tennant

- We currently have 1998 members.
- Three K36's were fired up in Chama for opening day and 463 was pulling the train out of Antonito.
- 10,000 trip maps were printed and delivered to John Porco for the docents.
- Docents are doing sensitivity training.
- Aug. 3rd mixed train now has 50 passengers so the train can now make money.
- A number of \$1,000 and \$2,000 donations were made.
- The moonlight train is on July 20th. There are currently 40 reservations. Premium seats sell well. We will have two premium cars. Parlor car is full with 20 passengers, there are 8 in the caboose, and 12 in coach.
- May online renewals include 32 current members, 2 from YouTube, and 3 from the website.
- Kathy's social media report was provided. Ian was thanked for the Dispatch Extra.
- Fall board meeting and banquet will be Friday Oct. 25th at the Radisson Hotel Colorado Springs Airport, 1645 Newport Road, Colorado Springs.
- Tim said he would like to have a few minutes to make a "last time" speech to the membership at the banquet. John said he would have the worksite open. Should we set up a tour of the National Museum of WWII Aviation? Don A. said they have a good restoration workshop. Maybe the cog railroad? They are open all year this year. John will try to set something up with the museum. These would be a Saturday thing.
- Tim handed out C&TS ridership graph and chart and pointed out that ridership has fallen quite a bit since 2008. He discussed challenges that the C&TS and the Friends face with the train being a bit off-the-beaten-path for tourists, lack of name-brand accommodations, issues with consistent restaurant availability, ticket pricing, and the length of the ride (which forces people to spend all day doing the activity vs. just a few hours).

V. Audit Summary - Armando Sanchez

- Audit performed by Schlenker & Cantwell, P.A.. Three people reviewed.



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- We passed audit adjustments. They were looking for material errors and also smaller issues which can add up to a larger audit problem.
- The auditors had no disagreements with management, no consultations with other accountants, and no difficulty performing the audit.
- SJT prepares the financial statements and coordinates the audit. Once the board approves, then the audit will be done.
- When auditors have findings, they have to classify them. We had no significant deficiencies. The auditors saw that we had evidence of proper receipts and sign-offs on purchases.
- No management letter was issued, which is good if we ever apply for grants.
- Our assets have been increasing just a bit from \$2.10M (2022) to \$2.15M (2023).
- Cash assets decreased from 2022 because \$269k was invested in CD's and we made some capital improvements such as the CRF improvements. Thus, capitol assets and investments both increased.
- Changes in accounting rules say that all leases now have to be on the books as a liability instead of as an expense. If you look at our Statements of Financial Position, our liabilities have increased due to this rule change.
- Net assets without restrictions includes fixed assets and collections. About \$1M of the \$1.48M is liquid.
- Net assets with restrictions, at \$588k, includes \$90k endowment (placed indefinitely in a restricted fund with the intent that earnings would provide support to the Friends), PNGPF funds, and commission money.
- Support and Revenue shows that Grants and Contributions have increased since 2021 (a large estate gift in 2022 shows significant increase that year). Member dues have steadily declined. Program and merchandise revenue has increased, mostly due to charter fees. Reimbursed commission projects revenue holds steady at about \$54k per year. Rising interest rates have cause a slight increase in interest income.
- Expenses are variable depending on the projects we do each year. Management expenses have increased due to hiring more contracted work including IT help and a social media coordinator. Fundraising expenses are holding steady.
- Over the past five years, we have generally had an increase in net assets. In 2020 and 2021 we had a decrease due to Covid issues and financially helping the Village of Chama with their water issues.
- Cash and cash equivalents decreased by \$327k in 2023. This was due to net cash increase of \$17.3k, \$269k cash spent to purchase investments (CD's), and \$75k spent on capitol assets.
- The question was again raised as to whether we could list our contributed (volunteer) services as an equivalent cash donation. John Eng's thinks there is a chart for that for non-profits. Armando doesn't think we can, but says that the



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Notes to Financial Statements say we contributed approximately \$1.2M annually in labor.

- Some program expenses have been reallocated, so program expenses went up by about 4%.
- M/S: Engs/Pyzel – Move to accepted the audit. Passed unanimously.

VI. Financial Report – Tim Tennant

A. Budget vs Actual

- Support and Revenue is currently \$58k higher than expected Y-T-D.
- Donations and year-end appeal are less than expected, but grant income, member dues, and campaign proceeds are all higher than expected.
- Member dues numbers are surprising because 50 people from last year did not sign up this year, but 30 people signed up this year that are new.
- Expenses through the end of May at \$291k, which is \$115k less than projected.
- Some expenses are higher than budgeted.
 - Salaries and Wages are higher due to Steve spending time to fix some new accounting system problems.
 - Computer and Software expenses are higher due to unforeseen expenditures with Salesforce (\$6,367/year) to allow members to sign up online for work sessions, and expenses with transferring Accufund to cloud storage (\$11,460/year).
- Overall, we are currently \$41k of excess revenue over expenditures.

B. Detailed Statement of Financial Position (Balance Sheet)

- Total assets are valued at \$2,209,300.

C. Cash Balances

- Unrestricted cash balance is \$349,388.
- Total cash balance is \$1,193,559.

D. SORFA (Summary of Temporarily Restricted Funds Activity)

- Revenue through the end of May is \$58,458.



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- Expenditures are at \$66,546.
- The Antonito CRF improvements project is under-funded by \$16,450.

VII. Master Calendar

- Calendar for 2026 was proposed (2025 was approved last year).
 - Session A: May 18 - 22
 - Session B: May 25 - 29
 - Session C: June 15 – 19
 - Member Dinner and Train Ride – June 19
 - Board Meeting: June 20
 - Session D: June 22 – 26
 - Session E: July 27 – 30
 - Session F: August 3 – 7
 - Session G: September 21 – 25
 - Friends Photo Charter – Requested dates are: Sept 26-27 or Sept 27-28 (Dates not approved by the railroad at this time.)
- Don A. said that photographers do not want to come for photo charters in August because the lighting is bad. Hence, the proposal for September.
- M/S: Hardy/Pyzel - move to approve the 2026 work schedule/Calendar. Approved unanimously.

VIII. Executive Session

- M/S: Davenport/Pyzel - move to go into executive session. Approved unanimously. 10:02am.
- M/S: Atkinson/Higgins move to get out of executive session. Approved unanimously. 11:21am.

IX. Collections Report – Dan Pyzel

- Two stock cars on the 285 siding in Dulce have been slated to be dismantled for parts. Nobody from the tribe showed up at the last meeting, so they weren't able to ask them if they would be willing to do the dismantling. The Dulce project requires coordination between many different groups.



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X. Development Report – Caroline Tower

- PNGPF (Preserving the Narrow-Gauge Preservation Fund)
- Inception is August 2012 – Tim to get the software updated to reflect the correct date.
- The fund has received \$104,861. Since January 2024.

XI. Interpretation Report – John Ferrell

- Posts for the whistle boards were not ready for session C.
- Switch stand was mounted but the targets for the top were missing. There are targets in Colorado Springs that can be used next year.
- The museum car is on the siding in Antonito, so we didn't get to clean it and work on it.
- Next big project is figuring out what is going inside the Hollywood car, especially the lighting.
- The museum car and the Hollywood car should be next to each other in Antonito.
- The posts for Cumbres should also be done next year. John wants someone who can do a-frame support.
- John's team also put the signs up at Osier.

XII. Docent Report – John Porco

- They trained one new docent a few weeks ago.
- They will be training another new docent in the upcoming weeks.
- May and June have been challenging to put docents on the train. Could also use new docents in October. Just lost a docent this morning, who injured his foot.
- Ian asked how many new docents we need. John said as many as we can get.
- There are currently about 20 docents.

XIII. Education – Melissa Sellers

- Melissa showed the two new trading cards that were printed: Sublette & Locomotive 483. These will currently be shared at work sessions for volunteers and at train shows.
- Just before session C, Steve was able to get Kathy and Melissa access to a placeholder page for the education website. They will be trying to set up the webpage soon.



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LUNCH BREAK

XIV. Nominating Committee – Jim Herron

- Thomas Moore Executive Search, LLC was chosen to help with the search to find Tim's replacement.
- We are currently right on schedule with the search process.
- He has interviewed multiple Friends members and is starting to compile a list of what we are looking for in a candidate.
- Tom will be searching for solicited and unsolicited candidates. According to Tom, the vast majority of successful candidates come from people who were not actually looking for a job. He will search his network for people who are qualified but may not necessarily looking for a job.
- The search committee will meet with the candidates and come to the board with a recommendation.

XV. Projects Committee Report – John Engs

A. MW02 Project car

- MW02 Project car has been reconstructed and they are getting ready to put new metal on because the old metal was rusted through. They found a local contractor who will do the metal fabrication for about \$8,000. This is not in the budget, so we need to approve.
- We currently don't have a way to get the car to the shop. We need a towing company or a crane and a trailer to haul it. There is an additional cost to get it to the shop.
- The car is taking up space and must currently be indoors to protect it because the metal is not being protected.
- It was suggested to give rides, it would hold 6 people. The ticket price would have to be about \$300 to make it worthwhile. It could be operated for special events or just used for demonstration purposes.
- This is a bit of an annoyance to the railroad, but if it's only once-in-a-while, then it could be acceptable to the railroad.
- There will be an additional cost down the road for a new roof so the car can sit outside and not be damaged. It was restored in 2007. The fabric roof was put back on and there was no maintenance on the roof, and it became very damaged.
- It will also need some small things such as paint and upholstery.



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- We could consider building a speeder shed for it. It is about the size of a single car garage. The vehicle is the size of a four-door pickup.
- M/S: Hardy/Atkinson - move to approve the money for the sheet metal/work on the MW02 car. Passed unanimously.

B. Section House at Cumbres

- Expansion in the roof with the winter weather is causing problems. We need SHPO to approve the synthetic new material, Davinci fireproof roofing that will last 50-100 years.
- Lead time on material is 29 weeks.
- There is a place where we can store it in Antonito.
- \$25,767.94 for materials (2024 expense).
- \$25,000 for the Amish to do the installation (2025 expense).
- M/S: Sellers/Davenport – move to approve the money for the roofing material for the section house. Passed unanimously.

C. Sand House

- Volunteers were able to use old concrete and cut a pipe in half to use as drainage.
- \$12,000 for one year of work to fix the sand house and we have 4 years' worth of work.
- There is no foundation under the sand house. We need to fix the foundation before the sand house falls down. SHPO will likely approve.

D. Sublette Section House

- Flooring has been replaced, but not the sills. When these are done, then the roofing will be worked on.

E. Cumbres Master Plan

- Currently the team is working to create a historical “roadmap” as to what happened at Cumbres over time. They want to provide CAD drawing of the buildings up until the 1930's. Plan is to print layers on Plexi-glass that will be in different colors so you can see the transition of the buildings over time.
- Once they have drawings, they can determine what buildings they want to recreate. This will have to be done with input from the railroad, the board will have



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to approve, then the commission, then SHPO. They will also try to make Cumbres a historical site/stopping point which will have the state in control of the restrooms.

- What is most talked about in historical documents would be the station; the structure, then the inside. 350lbs/sf on roof structure to meet current standards.
- Some reefers were up there and they would put them up there. There were 2-3 houses or log cabins. They have positions on them, but not sure if they will reconstruct them. There were multiple other buildings, including the store, the log bunkhouse and some other, but this is a long way off.
- Eventually the section house can be a museum. The Inspector's house will be historical.
- First draft of Master Plan should be done in November. Then the plan would be advertised in hopes of stirring up some funding.
- John Matthews will work to get approval from the state of Colorado for a new track layout to cross the road and to move the track.

F. Colorado Springs Express Bag Car 163

- Both side sills and one end sill have been installed. The other end sill will be prepped and installed soon.
- Roof was missing, but some parts were not as bad as expected.

XVI. Communications

- Social media report from Kathy was inserted in the folder. Everyone was asked to read it.
- Social media links send people to the website, but the website is not up to date with news items or things that are happening.
- Dispatch Extra is not appearing on the website. Tim will make that happen. Ian will send copies of all the Dispatch Extras to the office to put on the website.
- The current news needs to be on the front page of the website. Steve Thomas should be able to facilitate this.
- We need to figure out a way to get people to join the Friends because we are losing members. Social media and Classic Trains magazine are the main ways of getting new people. Train shows and docents are person-to-person communications but we need to be able to get to more people.
- Communications to the outside world are not very good. MailChimp has about 3,000 emails.
- Scott Hardy suggested contacting news stations to see if they will do human-interest stories about the Friends.



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- Ian suggested we get a communications coordinator as a volunteer to coordinate all of our internal and external communications. He would like them to coordinate website updates and communications with the railroad.
- Ian should put something in the Dispatch Extra asking for a communications coordinator.
- Don suggested clarifying on the website that the \$40 membership is for a family membership.

XVII. Railroad report

- Trains were kept running over Memorial weekend. But they don't have enough staffing to run all 7 days.
- The 3-hour train to Cumbres & back will run in July and the first week of August.
- In September there will be a train leaving Chama at 9:00 and returning from Osier.
- Looking at doing a holiday train. Last year it was reasonably successful. They were mostly new riders looking for a holiday ride and not so much just a train ride. 1/3 of the overall Georgetown loop business happens over Christmas. Pagosa is a holiday destination, as is Taos, so the RR wants to target them. Older generation mostly comes on tours. There is frustration that only a couple hours away, the trains in Georgetown and Durango have great travel ridership, but we don't.
- Good participation out of both states this year. New Mexico is funding restoring the pavilion because it helps tourism.
- Original roundhouse in Chama is going to take some money this year.
- Colorado said they would help with some fire mitigation requests.
- There are worries about financial support from Colorado's next year due to Tabor laws.
- Tickets expenses: \$20 for meal, \$20 for advertising, a cost for the bus leaves very little left for the running of the actual railroad.

XVIII. New Business

- Bob Reib would like to have real sessions during A & B in Chama. He requested we ask if anyone wants to work those sessions and if there is interest, put some projects in them.
- Ian said he can put some info in the Dispatch Extra to see if there is interest in sessions A&B. Scott and Ian will work on wording.
- Don A. mentioned the inefficiencies of Chama work site. Frank asked what we can do to consolidate some of that stuff in one area. It would be nice if the tools, bolts, paint, stencil, etc. cars were all in the same area.



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XIX. Adjournment

- M/S: Pyzel/Herron – Moves to adjourn. Passed unanimously.
- 2:10 adjourned.

Respectfully submitted,

/s/ Melissa A. Sellers

Melissa Sellers
Secretary