

C&T Commission meeting 13-May-17

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<http://www.coloradonewmexicosteamtrain.org/commission/index.htm>

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I may not have all of the “legal” terms correct. There may be spelling errors with persons or businesses. I paraphrase much of what was said. I try to indicate what the speaker means. This document serves to give the readers not present at the meeting a “pretty good” idea of what happened.

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New Mexico Commissioners: Dick Cowles, Billy Elbrock
Colorado Commissioners: Lucy Kay (absent this meeting), Dan Love
General Manager of the C&T railroad: John Bush

Pledge of Allegiance

Introductions

Motion to approve agenda

Approval of minutes from January, 2017. Approved.

Presentation by Chama Mayor Ron Russom

The Mayor presented to the commission a desire to create a park just north of the Family Dollar (near the railroad wye). He would like it nicely landscaped with

parking. He wants to get an engine from the commission to put on display in that park. He felt that that location being railroad property would be helpful. There was an investigation of putting the display by the old state visitor center at the junction of 64/84 & 17. Had that site been used in the past, the display would have needed to be moved after the state left the visitor center. The Mayor also said the visitor center property was not large enough to host the park & display. The Mayor knows that funding to move the locomotive is very limited at this time. Dick Cowles asked what was desired of the railroad. Which locomotive is desired. Ron answered that perhaps one of the two engines in Antonito already on display. Perhaps one of the local locomotives might be unfeasable to put into display condition. Dick asked if the Mayor had talked to Antonito about one of the locomotives. Ron replied no. Ron feels that he can work out the details. Dan Love asked why a display on railroad property would be of an advantage. Dan was concerned about damage to the display locomotive. Ron replied that the city blanket insurance would cover the locomotive, as the city has a lease on the land. The Mayor felt that vandalism would not be an issue. He has lived in Chama all of his life and it has never been a prior issue. Dan asked if perhaps some other equipment might be used. Ron replied NO. Dan said he kind of figured that to be the case. Dick Cowles explained that there come constraints on the railroad to satisfy the Mayor's request. Being a National Historic Landmark, Federal laws come into play. Dick was wondering how a static locomotive would be of help to Chama as there are live locomotives already in town. The Mayor thought that the display might get people who are in town for non-railroad activity to consider riding the train. He further explained the area to have a park atmosphere, with sprinklers, grass, parking area. Dan Love asked if the railroad could do more to expand the relationship with the town. Don replied that he enjoys the relationship between himself and the railroad management staff. He felt that additional signage on the south end of town to direct people to the town center is desired. Dick Cowles was wondering, since the old state visitor center is now being run by Chama, could there be some signage there to direct people to town center. Does the state still maintain some control over that property. The Mayor responded that as he understands it, the state has nothing more to do with the visitor center, other than be its owner. Kim Casford (C&T community liason) joined in by saying the state has no involvement in the visitor center. Dick Cowles mentioned he would like to see more done at the Y (where the visitor center is) to direct people to central Chama. The Mayor explained that the visitor center area is not big enough to build his park as visioned. George Canham (C&T Financial manager) asked for a moment. He said in the early 1990's the highway department did a study on the traffic flow predominately went through from/to south of Chama to/from Pagasa. Hwy 17 saw just a trickle of traffic. George commented that he notices traffic in Antonito also following Hwy 285, with few taking 17. George was wondering how having a locomotive at the proposed location would assist in getting traffic to take 17 into town. The Mayor explained the display

isn't to drive traffic into town, but for the residents of the town to enjoy. The lack of safety around a display at the Y location and its size isn't desired.

Pam Pettingil addresses the commission

She has been looking at some property right across the street from the Box Car restaurant that is ugly and needs to be fixed. She would like to get some park benches put in there. She believes that the landscaping, etc. can be done with donations. What she is asking the commission is the permission to do it. The project might take more than a year. The work would be done with volunteer labor. Dick Cowles mentioned that the Friends of the C&T also have some landscaping projects around that area that perhaps the efforts should be coordinated. Pam would love to have someone from the railroad on their committee. Billy Elbrock welcomed the idea and asked Pam to get with John Bush to begin working out the details.

7. Presidents Report-John Bush

On the 7th of April the Governor of NM vetoed the capital outlay bill, which denies the railroad \$300,000. There has been a special session called for the 24th of May. That is when an additional attempt at the \$300,000 will be made. The CO legislative session ended on the 10th. The bill including the railroad funding has been passed. The CO governor is expected to sign that bill next week. The CO funds are \$1,295,000. That includes money for the operation of the commission. NM has appropriated \$111,800 for the running of the commission. Funds for the sandhouse project has been redirected to the water project at Osier. Also funds for a railroad operated visitor center has been redirected to a rehab project in Antonito for the revenue passenger fleet.

John wanted to recognize Kim Casford who will continue with the railroad as community relations liaison. John also wanted to recognize Steve Forney for his video work of the commission meetings (with no help from the railroad). The railroad is buying him a season pass for the year. Sam Seiber (me) was also thanked for his helping with the video efforts.

There was an issue discovered last year with the septic system in Osier. The Road to Osier is now open. That allows the repairs to be completed before the start of the season. Due to heavy snow this season, the pavilion at Cumbres Pass was damaged. The 2016 season produced 35,353 passengers. Slightly down from the prior year. Revenue was slightly up. The new marketing firm was introduced in the prior commission meeting, Launch Advertising, out of Denver. Current reservations for 2017 is 6,618, up 23% from the same time last year. Revenue is also slightly up from last year. This year, internet booking is at 59% vs telephone & walkup reservations. This is a turnaround from how it used to be.

John mentioned a new travel option this year. The trains moving west will stop at Cumbres, where the rider can ride motor coach to Chama or Antonito, thus making for

a bit of a shorter trip day. This should also help with seating availability for those taking the full trip. The railroad has played a role in getting the visitor center open. He thanked Kim Casford & the Village of Chama in getting the visitor open. Substantial work has done on car 292 of the historical fleet. The line from Cumbres Pass to Antonito has been (old state center) opened. The line is open from Chama to Hamilton Point. The 488 should be available for opening day, or shortly there after. Stathi Pappas presented the historic car fleet update. The current project is the Jackson & Sharp car 292, built in 1881. The structure of the car is in favorable condition. All work to date has been approved by the historic preservation officer assigned, as part of this project is being funded by the state historic fund. Grants will be applied for the next project, car 256, a Barney & Smith car. At this time, they are on time & under budget to complete car 292 in about a year. If all goes well, funding will be in hand next year to begin car 256. It is hoped that in five years all four of the historic cars will be complete and ready to operate (with locomotive 168 to pull it). Commissioner Love was reminding Stathi that the 5th car of the fleet is being restored by the Friends in Colorado Springs, the tourist sleeper, car 470.

8. Financial Manager Report-George Canham

The bills are paid, and there is still money in the bank. He reports they are due \$293,671 from both states. Train operations is currently over budget. It is believed that that can be brought back in budget by the end of the fiscal year. NM has already provided commission money. After CO governor signs the bill, the funds from CO will be provided, around July 1. As of April 30, there is \$1,984,000 available in capital funds. There is \$700,000 allocated to track, which will be used by Labor Day. Track work uses the capital funds generally during the summer, while locomotive & passenger car funds are used during the winter. The funds from NM is very much needed.

9. Commissioner Reports

Dan Love filling in for Lucy Kay on the marketing report. Dan mentioned that for the last few years, the railroad itself did the marketing. It was decided to bring in the marketing firm of Launch. This should provide the whole range of serviced to provide the required marketing. They also happen to be in one of the hottest markets right now, Denver. Dan is pleased so far with their efforts.

Dick Cowles-Finance. He talked about NM funding, as they are a 50-50 co-owner of the railroad with CO. He mentioned the difficulty in getting NM funding. The railroad started off by asking for \$1,000,000 in NM capital funding, much like CO has been able to do. The interstate compact of the two states calls for an equal contribution from each state. Looking over the last 6 years, NM has contributed a little over three million dollars. On the other hand, CO has put in \$7.6 million dollars. More than double for an arrangement that should be 50/50. In the past, there was a time where

NM was ahead of CO. NM is in tough shape right now. This is making it difficult for the commission to make its 10 year plan of getting the railroad self sufficient. Commissioner Elbrock is working with Mayor Russom to bring the Legislative Finance Committee (the NM LFC) to meet in Chama. It has helped with funding in the past.

Dan Love-Capital Projects. As reported before, the track project is funded through Labor Day. Absent NM's contribution of \$300,000, the end of the track program will be Labor Day. Supplies will run out as well as the ability to enhance the track. This is a key component of the long term plan of getting the railroad to stand on its own financially. The commission is working on the "what if", should the funds not become available. The funding for the cars are in good shape. Even more so with the locomotives. The next big expenditure is the locomotives. There is not a big upcoming expenditure on locomotives over the next two winters. It is very important to maintain funding so as to retain the skilled employees that keep the railroad operating.

Kim Casford-Community Affairs. She has taken a leading role in the re-opening of the Chama welcome center. On May 1st she completed all of the negotiations. It is housing the Chamber of Commerce as the chamber office. The chamber will take the lead role of operating the center. The center will be open 7 days a week, June 1 to October 31. Off season the center will be open 5 days, including Saturday.

John Bush-Tracks Across Borders Byway update. Looking developing an app called OnSell. This will provide a self guided tour of the byway on your phone that even works in an area without cell coverage. The development of the Byway logo is nearly done. A sample was passed around the meeting. The C&T's railroad now has its own branded beer. It is produced by the San Louis Valley Brewing Company. It will be available on the train as well as area liquor stores and bars. Proceeds from that beer sold on the train will go toward the restoration of locomotive 168.

10. Friends of the C&TSRR Report-Tim Tennant

Work session season resumes in two weeks. Tim reports a pretty good turn out for this year. The Friends are running a photo charter the first weekend of June (3 & 4). 1 ticket left for Saturday, 20 for Sunday. The tender of the 315 will be decorated with the flying Rio Grande logo. USA Today is doing an online voting for top attractions in NM & CO. June 23 is the annual dinner at the Chama Senior Center. The board meeting is the next day. August 4th is the moonlight wine tasting train. Another large photo train is scheduled with the railroad (around the Narrow Gauge Convention in Denver) on September 4, 5 & 6. It will use locomotive 463, decorated as Rio Grande Southern 455. Engine 315 will be involved on Tuesday. Tim provided some pictures of the tourist/sleeper car being worked on, for the commission.

John Bush recognized the Friends efforts as helping the railroad win last years USA

Today best train ride, and how it is leading this years USA Todays best attractions in CO & NM.

11. Locomotive #168 status and funding-Scott Gibbs/Stathi Pappas

Scott gave a breif history of himself. He mentioned how he did the form 4 calculations on 315. ~~Once the 168 is restored and FRI compliant, it will be the oldest steam engine in NM & CO (1883 if I recall correctly).~~ Once the 168 is restored to be in operating condition, it will be the oldest FRA compliant engine in CO & NM. Scott compared the cost estimate of 168 (from Stathi) with the cost of restoring 315 and Stathi's estimation seems reasonable & doable. While 315 & 168 were sharing a bay in Antonito over the winter, Scott had a chance to see 168 quite a bit. The boiler on 168 looks to be in better shape than what he started with on the 315. The boiler on 315 dates to its original build date of 1895. The boiler on 168 was replaced, and is much newer. Scott has a fundraising approach layed out. He still has a few people to talk to. Scott reported the total bill to restore the 168 to be \$501,000. The commission was presented with a request for \$250,000 in Historic Preservation Account (HPA) funds to begin the project.

Stathi reported on the current known status of the 168. He has never seen a better pressure vessel on a steam locomotive as he has seen on 168. The form 4 calculations indicate that all it needs is some new boiler tubes. The boiler had about 18 years of service with the Denver & Rio Grande. Some of the running gear dates back to 1883. The Rio Grande maintained the engine well. It was retired, not due to being worn out, but to being too small. The Grande took good care of the locomotive to the end. Running gear is still tight. The biggest single replacement item is the tender tank. It was pretty thin as built. Building a tank is something the railroad already can do itself. As long as funding comes in, the work can be done in 2.5 to 3 years.

12. New Business

Motion to approve commission budget. Dan Love stressed the importance of getting the funds requested from NM. Motion Passed.

Motion to approve CTO (Cumbres Toltec Operating) budget. Commissioner Love commented how the commission worked with John Bush. The net income was not as they wished it to be. "We are paying for not achieving our targets last year in terms of revenue". A sound foundation is being established to resolve the problem. Passed.

MOU (Memorandum Of Understanding) with Friends of Cumbres Toltec Scenic RR. This is a document to make formal the relationship between the Friends & the Commission. Passed.

Resolution on HPA support of Friends of Cumbres Toltec Scenic RR. This relates to the costs born by the Commission for materials used by the Friends for the railroad. The Friends provide the labor free. Since the Friends maintain historical artifacts of

the railroad, that some HPA funds could be used to provide materials for the Friends. Passed.

Motion for HPA funding support for 168 rehabilitation. Dan Love moved that the commission approve funding from the HPA of \$250,000 for the locomotive 168 restoration. The remaining \$100,000 (in addition to what has already been raised) to come from a public fund raising campaign to be undertaken concurrently with work beginning on the locomotive now. Passed. Dan wanted it to be on the record that he has discussed this with commissioner Lucy Kay. Lucy is very much in support of this project.