

Cumbres and Toltec Commission meeting 30-Apr-22

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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 of 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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Colorado Commissioners: Scott Gibbs, Mark Graybill
 New Mexico Commissioners: William Lock, Billy Elbrock
 President of the Cumbres & Toltec railroad: Scott Gibbs

Glossary (initialisms that may appear in this document):

C&TS: Cumbres & Toltec Scenic Railroad

C19: Covid-19 virus

CO: Colorado

CRF: Car Restoration Facility, Antonito

CS: Colorado Springs, CO

CTO: Cumbres Toltec Operating company

D&RG: Denver & Rio Grande Railroad

D&S: Durango Silverton Narrow Gauge Railroad

DFA: Department of Financial Administration (NM)

DRHS: Durango Railroad Historical Society

DTS: Dynamic Ticket Solutions (the ticketing company used by the C&TS)

FY: Fiscal Year

FRA: Federal Railroad Administration

HPA: Historic Preservation Account, or Historic Preservation Association

HR: Human Relations

JBC: Joint Budget Committee (CO)

LFC: Legislative Finance Committee (NM)

MOW: Maintenance Of Way

NOI: Net Operating Income

NM: New Mexico

ROW: Right of Way

RPO: Railroad Post Office

RR: Railroad, the Cumbres and Toltec Scenic Railroad, unless mentioned otherwise

SHF: State Historic Fund (CO)

TABB: Tracks Across Borders Byway

VIHR: Victorian Iron Horse Roundup (August 2021 special event)

YTD: Year To Date (fiscal normally)

‘the Friends’: The Friends of the Cumbres & Toltec Scenic RR, the museum arm, <http://www.cumbrestoltec.org>

- 1. Call meeting to order**
- 2. Pledge of Allegiance**
- 3. Introductions**
- 4. Motion to approve agenda**
- 5. Motion to approve the Minutes from the February 12, 2022 commission meeting**
- 6. President's Report-Scott Gibbs**

6a. Reservation Report

Reservations as of 4/27 are 7,167 compared with 6,779 in 2019. When Scott checked last night (4/29), there were over 8,100. Revenue projections are up over 20%. CO is providing pre pandemic levels of funding, \$240,000 for commission operations, \$1,125,000 for capital. NM provided \$263,000 for commission, \$1,100,000 for capital. Additionally \$101,000 from NM was provided for marketing. NM also provided a special appropriation from their stimulus funding of \$3 million. \$566,000 came from the general fund, the remaining \$2,434,000 is from federal stimulus funds. The strings included with the federal funds are not fully understood at this point. The RR has raised the base minimum wage from \$13.00 to \$15.50 per hour to be more competitive as well as address inflation. Locomotives expected to be available on opening day are 168, 463, 484 & 489. 489 was converted to oil burning last season. It is getting some improvements to that conversion currently. 484 is likely to be used for the fireman/engineer schools at the end of May & early June. 487 is getting work done on its pistons and cross heads. It might be ready opening day, if not shortly thereafter. 488 is getting firebox work done. Scott met with the FRA 4/29. They are questioning the legacy style of repair work going forward. Work that doesn't meet the NBIC (National Board Inspection Code (National Board of Boiler and Pressure Vessel Inspectors)) code for locomotive repairs will likely need to be revised. That will probably impact capital costs of the locomotives going forward. Some prior work will possibly need to be re-done. Inflation has hit the track program very, very hard. The RR has to buy new ties, as used ties are not available. A 7"x9"x16' treated tie goes for \$86.75 each. In the past the RR could get ties for \$35. Insurance costs are expected to take a big jump, influenced by the 416 fire on the D&S. The risk acceptance from insurance underwriters has changed dramatically. Property & liability insurance will go up. The RR bought a used 25,000 pound forklift for the Chama shops. A 15 passenger van was purchased to transport food service employees into Osier, as well as a ¾ ton flatbed for use in the Osier area. The pickup trucks that Marvin and crew are nearing 250,000 miles each. Replacement of those is important. The RFP (Request For Proposal) for operations of the Osier station eating house failed. None met the requirements. The RR will bring that task in house. Commissioner Graybill acknowledged the funding from the states this year. The funding provides some relief as the costs to the RR are growing quickly at this time (eg. Insurance costs). This also allowed the RR to raise the wages for the staff.

7. Superintendent's Report-Marvin Casias

The winter was spent getting the passenger cars ready for the season. The annuals are done. During the next few weeks the interiors will be taken care of, improving the look. Window and floor repairs have been performed. The new parlor car is nearly complete. On 5/2, the process of opening the road to Osier will begin. Also maintenance of track equipment will be performed.

8. Maintenance and Repair and Historic Car Report-Marvin Casias

On Pay car F, the side sills have been straightened. Work can soon begin on paneling that car. The second week of May begins bringing back employees so their training can begin. Fire, engine & car classes will be given. Employee safety will be highlighted. The audio systems on the cars is operational. This system will be used for the coming season to enhance the customer experience. Work is being done to make sure all of the water sources

are ready to go. The summer is projected to be fairly dry. Plumbing on the Antonito water tank has been repaired. A ladder for that tank should be complete by early June. The track to Big Horn is ready to go. West of Big Horn, there are several snow drifts to deal with. Drifts will be cleared beginning 5/3. The plan is to have both the road & the track open to Osier to have redundant ways to get to Osier for the work that needs to be done there (recover from last years fire). Scott Gibbs followed up by saying that two car crew individuals had reportable incidents (injury). None of the shop, track nor train crews had any.

9. Financial Report-Alysia Martinez

The HPA through the end of March show little activity. There was some interest income from the balance in the account. Expenses include management and liability insurance, renewed to next January. The overall budget for the commission is nearly the actual costs. The general fund from CO is in the commission account. Expenses for March are under budget. Professional fees are over budget. There will be adjustments to the budgets of the CTO and the commission. The insurance proceeds from the fire at Osier will go to the commission, as they own the property. Balance sheet for the commission remains strong through March. Total assets are higher than the prior year. Policy and procedures for the CTO are being modified to better agree with the audit needs of the state(s). This is hoped to result in a “no findings” for the audit coming end of June. Cash position from last year is still being reconciled from last FY. CTO & HPA split management liability insurance. The increase in that cost has been seen in both balance sheets (about double). Capital projects are fairly busy this time of year. The premium cars are being worked on. Pay car F is included. The RR is moving to a new payroll company. It is hoped that the go live will be in the next pay period. The D&S uses the new payroll company, thus is a good fit for the RR. Their software also interfaces with QuickBooks well.

10. Marketing Report-Abigail (Abby) Martinez

Marketing is moving along smoothly and on schedule. Advertising is really picking up as the season begin nears. Digital marketing is preferred, but traditional print advertising is still being done. The marketing department is on budget for the current FY. The \$101,000 received from NM was a big help. This funding will be of great help this season. It is unknown right now how inflation will influence ridership. The funds will be used in August, a low ridership month. Marketing will be working with broadcast & print media to announce the 2022 season. The USA today top 10 train rides voting has begun. The C&T is in the list again this year.

Note: You may vote once per day, per device for the C&TSRR here: [2022 vote for the CTSRR](#)

Voting ends May 23, 2022

Commissioner Graybill asked Abby how the \$101,000 from NM would be used in August. She replied that if inflation & gas prices are hitting ridership, that an effort will be put into getting people living closer to the RR will be used.

11. Commissioner Reports

11a. Chairman Report-Mark Graybill/marketing Liaison

Commissioner Graybill stated that Abby covered his portion.

11b. Vice Chairman Report-Billy Elbrock/Local Affairs

Commissioner Ebrock mentioned that he has been getting a lot of questions about not opening on Memorial day this season. When he explains the need for Osier station to be at least somewhat available for the train trips, people understand the late opening. Kim Casfords job as community liaison ends at the end of this meeting day. After 6 years of work in this position, she will still have duties with the RR. Kim then reported that she is working with Abby, communicating with the local businesses. They are letting the businesses know the dates of the special events, engineer schools, etc. Anything that is not a normal day to day operation. This gives the businesses a chance to staff up, obtain supplies, food, adjust hours as needed. The RR merchandise manager has asked Kim to check around the community about selling CO/NM flagged impulse items (shot glasses, mugs,

magnets). Kim visited with the gift shops, especially the ones that were upset the RR opened its own gift shops several years ago. She got no push back. Item 13a of this agenda relates to selling this merchandise in those gift shops. Leadership training from Topseed has been done. Kim also explained that while her liaison position officially ends, she will still continue that work as chief of staff for the CTO. The NM state governors mansion foundation has contacted the RR this year. They do a Christmas ornament each year. This year will be the C&TSRR. Abby will select the picture and write the narrative that will come with the ornament. The ornament can be purchased at the NM governors office, on the 4th floor (and online). The funds from the sale of the ornaments go to maintenance of the public areas of the governors mansion which is not publicly funded. Conversion then went to Chama restaurants. One had is delaying opening due to roof issues. It is hoped that the Box Car will get opened back up. They are advertising for staffing. Several businesses are having staffing issues.

11c. Secretary Report-Scott Gibbs/Capital Projects

The HPA, the car facility voted on last meeting, the contract has been signed. The building will be longer than originally decided, but ended up costing less. The building will essentially be a kit. It is anticipated being complete in September. The goal this season is to install 5,000 new ties and 1,350 used ties. There are two tender cisterns on order. Two cisterns are in real bad shape, one being quite questionable. They should arrive early summer. Parts to convert another K-36 to burn oil is being acquired. The increase in fire danger may mandate more conversions. Some of the parts are being provided by the D&S, and is working well. Candelaria fund work at Osier, the window work is nearly complete and are ready to install. The window provider is wanting to get up to Osier as soon as possible to get them installed. When weather warms up a little more, a concrete pad will be poured to assist with loading & unloading of ADA passengers (provided by Candelaria). From insurance proceeds, the upstairs has been sheet rocked, pending painting. The downstairs waits for sheetwork, it has been insulated. There will be major finishing work downstairs before the kitchen is ready. Some of the kitchen equipment must be replaced. Commissioner Graybill mentioned that replacing 5,000 ties with the other costs (spikes, tie plates) will cost \$500,000, not including labor. An expensive cost. The new ties are expected to last about 70 years. It was asked if used ties may be found in the future. Scott replied that is not looking promising. The RR did get 1,350, but couldn't find anyone to cut them or put on end plates. The RR did find someone to create a manufacturing line to do that work. That brought the cost of those ties to \$35 per tie. It is hard to find someone willing to cut down the standard gauge ties. New standard gauge ties are over \$100 each. Used ties are just a hard find.

11d. Treasurer Report-William Lock/Finance

Commissioner Lock reported that Alysia had reported well on finances.

12. Friends of the C&TSRR Report-Tim Tenant

The work session season starts the week of May 16. About 20 people are working on session A. About 20 for session B. Over 50 for session C. Tim mentioned that gas prices will hamper the volunteers from coming. Express bag car 163 is in the process of being moved to Colorado Springs. A \$25,000 gift toward that project has been received. It is known that the trucking costs will be increased over past experience. The friends have taken on a couple of people to deal with social media. The first weekend of April, the friends had a table at the Rocky Mountain Train show in Denver. All of the brochures for the RR were given out at the show. They ran out. The friends will run their member train June 17th. The next day will be their board meeting. July 9, will be the moonlight, wine tasting train. On September 25th will be the 425 (aka 315 renumbered) special train. That train is close to sold out. Commissioner Graybill presented Tim with a check from HPA for work done by the friends over the last 3 years. Tim mentioned that the check will be used only on the historical assets of the RR. Tim then mentioned how he started with the friends 18 years ago. The group is aging. It is important to bring in younger people into the friends, thus getting more involved with social media. Commissioner Lock reminded Tim that the friends were selling a magazine issue of Passenger Train Journal, issue 290 which highlighted the VIHR. People at the meeting could buy a copy. In addition, a new book "Tracking the Narrow Gauge from Chama to Durango" by Mike Butler had been just published and is ready for sale. This book contains many images from the friends collection of photographs, many of which are from the Dorman collection. It covers the

TABB territory. Tim also mentioned that the Dorman collection will be used to replace photos that were on the walls of the Osier station. The friends photo collection has been valuable when trying to recreate a photo freight special train.

13. New Business

13a. Approve/Disapprove Resolution 2022-006: A Resolution to Amend the Retail Policy and Adopt the Policy for inclusion in the Commission's Policy and Procedures Manual

Passed.

13b. Approve/Disapprove Resolution 2022-007: A Resolution to Adopt FY23 State of New Mexico Operating Budget

This is an audit compliance resolution. It includes the ARPA distribution as well.

Passed.

13c. Approve/Disapprove Resolution 2022-008: A Resolution to Establish a Backdating Program for the C&TSRR Locomotive Fleet

This resolution relates to maintaining the period of significance, to control modifications to the appearance and functionality to preserve the history of the locomotives.

Passed.

13d. Approve/Disapprove Resolution 2022-009: A Resolution to approve FY-22-23 budget guidance from the Commission to CTO

Tabled. Related to item 13c.

14. Old Business

14a. Discussion of Proposed Land Swap

Tabled indefinitely.

15. Executive Session**

16. Actions following Executive Session

Discussed during the executive session was the awareness of the fire danger this season and beyond. The commission wants the RR has options rather than shutting down. Commissioner Graybill thinks this is a management decision on developing backup plans if the RR is prevented from using coal burning locomotives. Commissioner (as President) Gibbs reminded the audience of converting another K-36 to oil. Other options will be explored. The RR is enhancing its fire response activities. Marvin is setting up a training program for the shop crews, train crews and track crews. This will include some hands on training with the fire trucks the RR owns. Prevention training is included. Fire patrol cars are being updated and enhanced as well. Commissioner Lock highlighted the importance to not get shutdown. Commissioner Graybill pointed out that right now, having just one oil burning locomotive results in the possibility of being at half capacity. Hopefully for a large part of the season, there will be double headed trains out of Chama. Capacity would still be limited if the RR had just two oil burning locomotives. He feels that operating safely is not a commission decision, but rather a management decision.

17. Adjournment

Next meeting is scheduled for July 30, 2022, Antonito, subject to change

** An Executive Session may be called at any time during the meeting, pursuant to New Mexico Open Meetings Act Section 10 15-1 (H) Subsection (2) limited personnel matters; (5) discussion of bargaining strategy preliminary to collective bargaining negotiation (7) attorney-client privilege pertaining to threatening or pending litigation in which the public is or may become a participant; (8) discussion of the purchase, acquisition or disposal of real property or water rights by the public body. The Governing Body may revise the order of the agenda items considered at this Open Meeting.

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