

C&T Commission meeting 27-Jul-19

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The official commission site is:

<http://commission.ctsrr.com/>

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: William Lock, Billy Elbrock
Colorado Commissioners: Dan Love, Mark Graybill
President & General Manager of the C&T railroad: John Bush

Glossary:

CO: Colorado

NM: New Mexico

HPA: Historic Preservation Account

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

RPO: Railroad Post Office

CTO: Cumbres Toltec Operating company

D&RG: Denver & Rio Grande Railroad

MOW: Maintenance Of Way

ROW: Right of Way

FY: Fiscal Year

JBC: Joint Budget Committee (CO)

DFA: Department of Financial Administration (NM)

LFC: Legislative Finance Committee (NM)

D&S: Durango Silverton Narrow Gauge Railroad

TABB: Tracks Across Borders Byway

"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, 2019 commission meeting

6. Presidents Report

6a. Reservation Report, 6b Maintenance, 6c Tracks Across Borders Byway - John Bush

60 days into the season transported 15,911 passengers, YTD, about 4% behind last year. Last year, the D&S was shutdown and the RR saw a major uptick last season at this time. Compared to this time in 2017, the RR is about 14% ahead of that year. The D&S is about where they were in 2017. In 2018, the D&S was shutdown for 41 days. Bookings to end of season are about 1,350 bookings ahead of last year, about 3.5%, revenues 4.7%. If these numbers hold, the 10 year plan to self sustainability hold. Special trains are selling well. The Geology train sold out. Some tables at the Osier dining hall have been moved to Cumbres, thus more people can be served at Cumbres. Cumbres dinner trains had a limit of 160, but is now 200 which occurred on the 4th of July train. This evenings Chris Collins concert at Cumbres is sold out at the 200 figure. A new commercial has been completed and will start airing in Albuquerque & Colorado Springs next week as well as the visitor centers. The RR won the USA Today best train rides this year (as they did last year). New coach 524 is now in service. The bodies for the two new premium cars are on the property. The finish work will be done over the winter in Antonito. With 524 now in service, one of the old flat roof cars is now surplus. Some of the plans for next years 50th anniversary are being developed. The rotary snow plow (OY) is scheduled for end of February, early March. The OY is in Antonito for wood work, etc. It did fit through Mud Tunnel. The OY will return to Chama before the snow flies, thus making the rotary event out of Chama. Engine 168, cars 292, 256 & the RPO are hoped to be complete, for an opening day run out of Antonito next year. The deal with the D&S to trade 2 hopper cars for 6600 series flat cars. Flat cars are of great use to the RR. Next July an iron horse roundup is planned, with guest engine 315 being lettered 425, along with 168, as well as guest engine "The Eureka", as well as "The Glenbrook" both from Nevada. This will showcase 4 locomotives, all built before the turn of the century. This event will occur out of Antonito. Fire mitigation has gone well this year. Muriel Niesson, the executive director of TABB was invited to the meeting, but couldn't attend. Work is being completed for the final glitches for the On-Cell app (the cell phone guided tour of the route). Added to the TABB team is Carla Martinez and Carly Fippen, both from Chama. They provide valuable non RR input to

the TABB. Roger Hogan was thanked for the photography he provided for the cell app. Previous byways came with money, TABB did not. Ways to donate to the TABB are being developed.

6.d Train Operations, 6e Historic Car - Stathi Pappas

No canceled trains this season, minimal delays. 9 double headers to date, including today, 64 days into the season, not quite to the halfway point. New people are being trained to replace the college students currently working operations (in August). Stathi recognized the operations staff and their high competence. Cars 256 and the RPO 65 are the two cars being worked on at this time. The Friends are making great progress on car 470 in Colorado Springs. Details of that car follow. Cars 256 and the RPO are on track to roll out at the beginning of next season, in time for the 50th anniversary of the RR. The trucks for the historic cars are coming along nicely (in Durango). After the first pair arrive, they will be put under a car and tested. Locomotive 168 is nearing completion. The appliances have been received from the contractor. The locomotive could run right now, but some additional work remains to be completed. The boiler jacket should be complete and installed by the end of August. Budget and timeline remain on schedule. When the team working on 168 is done with it, they will begin their work on rotary OY.

7a. Financial Report - Ed Beaudette

FY 2019 was a good year. June was down this year. While the June results were down, the revenue is up about 10% for the year. The balances sheets for this year are in good shape, in part due to the good season last year. June last year was so good, retail got slammed. Inventory levels have been increased this year to prevent shortages. Retail this season so far is up. On the P&L front, net unadjusted net operating income is going to come in at \$635,000. Operating revenue is looking good, up over \$430,000. Labor expenses were up, as expected. Insurance will increase some, due to increase in passengers. Operating expenses were up, mostly due to meal costs, as more meals were served. Bus service costs also increased due to same. Last year, car and locomotive maintenance costs were down from that planned. Hopefully, the RR is on the final year of the shortfall of Commission funding. The CTO has been picking up the shortfall. Both states have fully funded the RR, and thus the Commission as well. FY 2020 (twenty some odd days old), July, is up 4.2% in growth, 4.5% is planned. Capital spending for June phases down as the shops close down, and track work goes up. About \$100,000 of track work was done in June. Commissioner Lock asked Ed about how the special trips next year would be treated in the budgeting process. Ed reported that there will be separate accounting for those trips. The plan is that the special trips don't end up costing the RR money.

8. Commissioner Reports

8a. Chairman Report - Dan Love/capital projects

Part of the goal to be self sustaining is being reached as the the work of getting the railroad from a nearly abandoned “piece of junk” in 1970, to where it is today. Commissioner Love road the RR in its first year and remembered it being a rather unpleasant ride. The track work done to date provides the RR a good future. The RR has an adequate process to maintain the locomotives. New cars are being built. He feels the RR is in good condition. This year, about 6000 ties are to be replaced. He has concerns if that isn't enough. He also reflected on the prior contractor operated model, vs. the current commission operated model. He didn't think anyone now would want to return to the contractor model. It was a big risk to convert to the current model. He thinks the current model has been a huge success. He then mentioned the current lobbying firm for the CO side has done a great job keeping the CO funding intact, gaining three year funding commitments, which makes planning for the RR much easier. The lobbying firm will be changing. The prior lobbying firm is moving on to other businesses.

8b. Vice Chairman Report - William Lock/finance

Commissioner Lock said he doesn't have much to say about finance, as Ed said it all. Mr. Lock is so excited about the RR, its history, operations, collection of equipment. He likes the partnership of the two states. How the two states have been together over these last 50 years. The governors of both states have been invited to the 50th anniversary of the RR, on July 1, 2020.

8c. Secretary Report - Mark Graybill/marketing liaison

Commissioner Graybill went over the highlights of the marketing plan. He is very pleased with the RR marketing firm “Launch”. Marketing is in full swing at this time. Things were set about 5 months ago for the marketing plan for this season. Launch is quite flexible. Launch has begun working with John Bush to promote the 50th anniversary celebration. Questionnaires are sent out to riders about 10 days after their ride. 98% of respondents gave customer experience an 8 or above (out of 10). 85% gave a 10. Probably the envy of the industry. 91% gave the lunch at Osier a 4 or 5 out of 5. 68% gave it a full 5. 92% ranked the docent 4 or 5 out of 5, 79% gave a full 5. These are fabulous scores. They are due to the operations crew as well as the concessionaire at Osier station. Not everyone replies to the survey. Most likely, the dissatisfied guest will reply. Scores this high are envious. A new commercial has been produced. Marketing is moving more toward digital, vs. traditional. Currently, spending is 25% digital and 75% traditional. The average ad popup followed up with a click thru is 0.10%. The RR click thru rate is 0.15%. On Tripadvisor, the click thru rate is 1.38%, where the benchmark is 0.15%, thus the RR ads are 10 times benchmark. Mr. Bush mentioned that work is in progress on the digital side, and where to put the ads. How to dial in the potential customer. Work is always in progress to improve marketing and not get comfortable with the status-quo.

8d. Treasurer Report - Billy Elbrock/local affairs

Kim Casford continues to meet with businesses. She meets with the NM legislators and governor, to keep the RR and Chama in their eyes. She also attends the Antonito and Chama city council meetings. Kim wanted to recognize Wade George, an Antonito town council member who attended today. It is always nice to have government officials attend the commission meetings. Commissioner Love asked Kim how the RR's connection to NM government is at this time. She replied that the biggest ally is JD Bollington (the RR's NM lobbyist). JD has been moving the focus of funding from individual legislators to the executive funding (from the governor). The current governor of NM seems to fully support the RR. Watch the video for the “inside baseball” of how NM funding works: [Video 1](#). Also watch for the details of how the NM governor visits CO. John Bush asked Kim for an update on business development. Kim mentioned several new businesses opening or will soon open in Chama. A truck stop is being built in Antonito, just east of the intersection of US 285 and CO 17. Wade George filled in details. (ed. My audio was too low to hear, perhaps the video will use a better source: [Video 2](#)). A pub is being established in Chama, and they will serve dinner. Currently, there is a capacity issue with dinner service in Chama. Kim enjoys her work.

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

Tim started off commenting on how he likes the new management model. He has been around the RR for 15 years, and seen how things have improved. Tim thanked his fellow Friends members attending the meeting. Don Atkinson was in attendance, and has been very active in the tourist sleeper car 470 (part of the RR historic car fleet) work (in Colorado Springs). He asked Don to provide a status report. (ed. My audio source was too low to hear, try the video: [Video 3](#)). John Bush asked Don to provide details of what it would have been like to use that car back in the late 1800's. Don mentioned that people were smaller back then, as well as other details. The video is a suggested view: [Video 4](#). The car is being restored to its original 1889 configuration. Don explained the different configurations of the car throughout its lifetime. Tim then continued with other items in his report. Session E starts next week, with F following. There will be special work sessions later, working on rotary snowplow OY. The moonlight wine train was a great success. The 315 charter next week is sold out. Tim mentioned the 4 new board members. Tim mentioned the need to attract new, younger members, and how to get them involved with the work sessions.

10. Strategic Planning discussion

Commissioner Love started off the “Strategic Planning Discussion”. The RR over the last 8 years has been working on a plan to be self sustaining. The plan is, the best way to preserve the RR is if it can take care of itself. So now the question is what comes next, once the RR is self sufficient. Mr. Love asked the commissioners as well as John Bush what they thought. Commissioner Graybill started off suggesting that he would like the nearby towns as well as the RR become a destination. He suggested that the upcoming car storage to also be a museum. This will give people passing through a chance to see something interesting, and perhaps decide to book a trip on the train. Commissioner Lock then said he has had conversations with people about the RR. He has been asked about “where is the museum”? Answering that the RR is in fact

a 64 mile long living museum. Having museum building(s) could assist people in remembering the RR. He also mentioned he would like the RR to be in a position to offer more year round jobs. To attract good people. He would like to see further growth in the businesses in each town, to support the needs of the tourists. Commissioner Elbrock continued. He felt that continuing to upgrade track and cars is important. The RR should continue to work with the towns, to grow together. A museum has been talked about for a number of years. It is needed. Mr. Bush then said he was for the car storage/display. He dreamed of rebuilding many of the structures that used to exist along the line. It then occurred to him that the RR has been holding on to the last days of a dieing railroad. There is an opportunity to display an earlier time of the railroad, such as what is being done with the historic car fleet. Having elements of an earlier period would appeal to a younger crowd. Perhaps having some formal offices, freeing up the depot to be more as it once was. To avoid other distracting things to do, like a zip line at Osier. To continue working on becoming a World Heritage Site. Commissioner Elbrock asked Wade George for his ideas. (ed. The audio was too low for me to hear, thus the video may be a much better source: [Video 5](#)). Commissioner Love took his turn. He mentioned the future of the RR is all about labor. Who is going to get all this stuff done? What can be done to make the RR an attractive place for people to work. There is a need to develop a long term work force. Skills needed are unique. There is no formal education on rebuilding wood passenger cars, working on steam locomotives. It is getting to be a rare skill set, and many of those with those talents don't want to work in Antonito or Chama. In the past, money has been the big issue for the RR, but with that problem ending, there are new problems to address. The RR has had recent success due to its people. They won't be around forever.

11. New Business

11a. Passenger Car Lease-Sale

At the last commission meeting, it was approved to lease a surplus car. A motion was presented to alter that to be a lease/sale of the car. The car would go to the highest bidder, to exceed \$40,000. Mr. Bush mentioned during the discussion part of the motion that the flat roof cars are to be replaced by new cars. At least one flat roof car would be retained as RR history. The plan is to advertise the availability of the car. Commissioner Graybill was asked to recuse himself from the voting, as his Georgetown Loop Railroad is interested in the car. Commissioner Love asked the attendees if they had any comment. Rich Casford went first. He used to run the RR under the prior contractor model. Rich wanted the commission to be cautious about releasing surplus rolling stock. There could be a need to quickly roll in a car to replace a damaged car. It happened to him. He sees the importance to replacing the flat roof cars, but a backup is important. Commissioner Graybill pointed out that the sale of the old cars will finance the building of the new ones. Stathi pointed out that the downside of tearing down a flat roof car, to build back up to new standards puts that car out of service for some time, thus reducing capacity. The commissioners other than Mr. Graybill voted yes, thus approved. Seasonal leasing may continue, during the off season of the RR.

11b. Renaming Clock Tower Park

When the village of Chama re-did the road through town, they put in a clock, which resides on RR property, near the depot. The village maintains the clock. That area is currently known as clock park. Eddie Vigil was the first mayor of Chama (1960-1969). He was a big influence of getting the RR purchased from the D&RGW (along with other people). A motion to rename the clock park to the Eddie Vigil park was presented. While many people worked on creating the C&TSRR, Eddie put in a lot of work, and he was a local resident. Many of the other people didn't have the local connection. Sadly, there is no place on the Antonito side to recognize an Antonito founder. Motion passed.

12. Adjournment