

# Cumbres and Toltec Commission meeting 13-Feb-21

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

The official commission site is:

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

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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New Mexico Commissioners: William Lock, Billy Elbrock  
Colorado Commissioners: Dan Love, Mark Graybill  
CEO of the Cumbres & Toltec railroad: Eric Mason  
Community relations liaison: Kim Casford

Glossary:

C19: Covid-19 virus

CO: Colorado  
CRF: Car Restoration Facility, Antonito  
CTO: Cumbres Toltec Operating company  
D&RG: Denver & Rio Grande Railroad  
D&S: Durango Silverton Narrow Gauge Railroad  
DFA: Department of Financial Administration (NM)  
DTS: Dynamic Ticket Solutions (the ticketing company)  
FY: Fiscal Year  
HPA: Historic Preservation Account  
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  
YTD: Year To Date (fiscal normally)  
"the Friends": The Friends of the Cumbres & Toltec Scenic RR, the museum arm, <http://www.cumbrestoltec.org>

**Please Note, this was a phone in meeting due to C19.**

- 1. Call meeting to order**
- 2. Pledge of Allegiance**
- 3. Introductions**

## **4. Motion to approve agenda**

## **5. Motion to approve the Minutes from the November 14, 2020 commission meeting**

## **6. CEO Report-Eric Mason**

This section was presented out of agenda order due to the presenters getting logged onto the Zoom video conference. This document preserves the agenda sequence.

### **6a. Reservation Report-Eric Mason**

There has been an uptick in reservations this year from last year at this date. There has also been an uptick in train school sales. The school trains are now sold out. Group bookings are also up.

(Out of order) This was the final portion presented for agenda item 6:

This point last year, the RR saw about \$23,000 in revenue, before the C19 was an issue. This year, \$52,000. These numbers came about a week ago. Things are showing a more optimistic year. For group sales, there have been a few groups that need to change their plans. The 10 school trains have been sold out, about \$97,000 in revenue.

### **6a. Maintenance and Repair-Marvin Casias**

All of the coaches are ready to be run. There were a few wheels replaced. Work is now turning to the cars to be used on the fireman/engineer (school) trains. There is a fair amount of work expected for those cars. Engine 19 should have its annual done in a week. Then it will be available for use over the RR. Marvin has been ordering parts for the tamper. Its engine has seen a lot of use. Marvin was asked about what cars are used for the school trains. Marvin answered that pretty much freight cars, which were noticed last fall to need some work. They had loose walking boards and railings. For safety, those items need repaired.

### **6b. Tracks Across Borders Byway/VIHR-John Bush**

On Saturday, May 29, a dedication event is planned to announce engine 168's restoration, in Antonito. This event will recognize the major donors that made this work possible. It is hoped that this event will draw media coverage to benefit the RR. In July, a galloping goose event is planned. John is in contact with the Goose 5 people in Dolores, and also with the Colorado Railroad Museum (CRRM) regarding Goose 7, and possibly motor 6. The event is scheduled for July 16-26. A purpose of the event is to increase visitorship to Chama & Antonito over the summer. A similar event was done in 2016 and was well attended. VIHR has been scheduled this year August 21 to September 8. This event will include 168, 425 (visiting engine 315), E&P #5, and the Glenbrook from Nevada. The event sold out last year, but needed to be rescheduled for this year due to C19. Events planned for last year will occur on the same day of the week this year. The participants agreed to extending the event for an additional week. This allows more people to buy tickets, helping to recover costs. Discussions are underway with the CRRM to send down RGS locomotive #20. This engine would operate in the week following the VIHR event planned for last year. Tuesday, August 24 is a possible operation date, as that date last year didn't have any train operations out of the yards. There is great interest in a special event with #20 & C&TS engine 463 (re-lettered as RGS 455). The CRRM is interested in bringing their geese down during this time, thus an opportunity exists to make this an RGS themed event. RGS caboose 400 is in Antonito, and could be used as well. Prices and details are being worked on at this time.

A mission statement for TABB has been approved. The mission of the Tracks Across Borders Byway is to maintain, market and promote TABB as a long museum over the pathways of the past so that travelers develop an understanding and appreciation of the rich railroad, cultural, historical, recreational, agriculture and natural features of the byway that have endured and continue today. One of the goals of the byway is to promote the businesses along the byway. A corridor management plan is being developed. This is required to gain grant funding required to reach its goals. Work continues on the cell phone application that is a guide along the byway, as well as on the train. The Southern Utes have provided an RFP to upgrade the road through their land. The Gomez store mentioned in the prior meeting is currently being moved to the Pagosa Springs Fairgrounds, along with the rest of the Fred Harmon museum. There is not yet a timeline for the move, and it may change. If the Pagosa move fails, TABB has indicated their interest in obtaining the Gomez store to be located in Chama. Current funding for TABB is stable, and minimal. A visit to the TABB website ([tracksacrossborders.com](http://tracksacrossborders.com)) provides more information about the byway. Also available on the site are ways to help fund the byway via purchases at Amazon, along with others. When weather permits, John will be going to Ogden Utah to get some machinery & tools donated to the C&TS. Further groundwork will be done in the donation or lease of their D&RG engine 223 to the C&TS (for restoration and operation). Should a lease agreement be developed, it would be much like the one with Colorado Springs, and engine 168. Commissioner Lock asked about the pulling power of engine 223. It has more tractive effort than 168, but less than 315. It is a C-16. This would make a nice match with the 168 running out of Chama. A period correct train could be built. John mentioned that the corridor management plan for TABB was in part being created to gain federal grant money. Some of this funding would be used for improved signage and descriptive signage along the byway. Also some funding would be used to upgrade the road in the "gap" (the dirt road within the native american land). John was asked how likely the 223 would come to the C&T. He answered that there is some support for it to happen, but it is too soon to guess at this time. John was asked if the C&TS has the skills required to restore engine 223. John answered that Stathi and staff either currently or will soon have the skills needed. The locomotive is in good enough shape, that is restorable.

Kim Casford asked John about the VIHR and Geese schedules, as she is getting hammered with those type of questions. Most of the questions should have answers by the first week of March. John also mentioned that when letters went out to people that bought a spot on last years (posponed) VIHR event, those people will be offered a chance to buy tickets to any additional events this year, before offered to the public. This was a way to thank those people for letting the RR hang on to the money, rather than refund it. Also, by adding a week this year to the VHIR, it should help boost business in Chama and Antonito, during what is normally a slower week for the RR.

## **6c. Train Operations-Stathi Pappas**

The 2021 season will be different than past seasons. Operations in 2021 is expected to be greater than 2020. This will require additional staff. Job applications are coming in, and call back letters will be sent out to prior staff. Training will be upgraded this year. An oil firing training program is being established as locomotive 489 is being converted to oil burining. A job search for locomotive manager of engineers is underway. There are several candidates within the organization that look good. Fire patrol is looking good. The speeder cars used are being worked on for the new season. There should be five speeders ready for the 2021 season. Some minor updates are being made to the operating practices, rule book and time table.

## **6d. Historic Car-Stathi Pappas**

The current project is pay car F. This car is the most difficult car of the fleet to restore. The discovery phase has been completed. The work to be done is now known. There is a great deal of structural work to be done. The other cars were in much better shape to begin with. The roof structure is being saved as much as possible. The work is being done to secretary of the interior standards as always. It is being restored to about 1908, its last year of being used as a pay car on the D&RG. The passenger trucks for coach 292 have arrived, to be installed this week. That provides three historic cars, with passenger trucks, ready for the 2021 season. With the work the friends are doing with car 470, that should have the fleet to four cars. Commissioner Love asked Stathi about locomotive & car readiness for the season. Stathi replied that 168 completed its annual and is ready. The primary fleet of engines need their annual inspections (K-36's  $\mp$  K-27). There is extensive work being done on 488, on the lower half of its tube sheet. Special projects has been helping in building the sheets. This is a great training opportunity to learn this type of boiler work. 489's smoke box is nearing completion, its 1472, and its conversion to oil. It should be ready for the season. 487 is getting its five year inspection done. Its current condition puts it into more of a backup locomotive for this season. 484 is nearly ready. It needs some timing work done as it had a radius rod changed. 463 is nearly done. Some lead truck work was performed. Some tubes and stay bolts were replaced. Having all locomotives available for the season is important. It allows costs for maintenance to be spread out. A finite amount of work can be done over the off season. That is why special projects is helping Chama get 488 & 489 ready for the season. All of the annuals for the passenger cars is done. Cars to be used for the photo charters and school trains will be annualed soon. The new premium car work is also in progress. Two new coach cars are being built to the new standard. The current funding condition halts that project. The new premium cars are ahead of the new coaches. There are a few institutions that are interested in the old flat top coaches at this time. Until the new coaches are ready, the RR must hold on to the current flat tops.

## 7. Financial Report - Ed Beaudette

Capital funding has been reduced due to lack of funding from both states. Capital spending FYTD has been about \$680,000. Money needed to be saved so there would be enough available to open this season. Things look good for this season. The conversion of 489 to oil is going to add some unanticipated costs. Also, additional water filtration at Osier is required by the federal/CO government. The FY 2020 audit is nearly complete, for the commission and the state (NM) auditor. The balance sheets are about where the RR expected them to be, given the reduced activity of last year. Cash is down. Yes, there is enough to get the RR to opening day. June is still an unknown, as any restrictions are not known now. Most of the people that bought tickets to the VIHR opted to let the RR keep the money, which helped. Amy of retail has gotten the inventory reduced from last year. The commission balance sheets are in good shape. Future funding of the commission is dependent on what the two states provide. CO reduced funding a bit last year for commission operations, hopefully will be restored this year. Last year NM initially provided the full amount, but reduced it by about 4% in a special June session (due to C19). Another 5% reduction is expected this year. Support from both states is there. Some commission costs have been reduced. Things should be fine there for the next year. The HPA balance sheet remains static. There has been the cost of the historic car trucks from this fund, plus the cost of the future trucks that will be needed. The balance sheets are about as good as can be expected at this point. The P&L's for January are quiet. Spending was a little higher, due to labor costs. Insurance costs are as expected, operating expenses are lower, due to less operations. Supply & material costs are down. General and Administrative expenses are pretty much linear. There was about a 10-15% reduction in utilities. Last year there was about a 20% reduction in marketing costs. Professional fees are up a bit, but insurance costs are down a bit. It is not yet known what capital funding will be gained from NM. \$1.1 million has been requested. \$500,000 has been given from CO, a big reduction in the norm. In NM, it will be April before the RR knows how things turn out. Around May, to see how CO does. Commissioner Love mentioned that cash has to be monitored for opening

day 2022. Commissioner Graybill mentioned that there will be restrictions in place at opening, but hopes they get reduced throughout the season, so the RR can service more customers. Commissioner Lock was asking about the costs of trucks for the historic cars. Stathi replied about \$73,000 per truck. Everything has to be built from scratch. Most of the materials have already been paid for. The remaining costs are assembly. There is about \$150,000 to finish the next two pairs of trucks.

## **8. Commissioner Reports**

### **8a. Chairman Report - William Lock/finance**

Ed Beaudette covered just about everything, so nothing to add.

### **8b. Vice Chairman Report - Mark Graybill/marketing liaison**

Mark didn't have anything to say, but turned things over to Eric Mason. Eric said the RR has moved to a direct public relationship with marketing practitioners this season. An incredible team of marketing experts has been established for the digital marketing side, media marketing, social media. E-mails, social media contacts will be made. There are several new short ride options this year. There will also be some traditional marketing, TV spots. Print. The digital presence will be increasing. Work is being done to build a robust image and video library. Commissioner Graybill thanked Launch Advertising for their help in this transition. Abigale, who has been with the RR for some time is the first point of contact regarding marketing. Commissioner Love mentioned this years rack card. How it points potential customers to the web site. He noticed the lack of selling the "authentic 1880" experience. Eric replied that since moving to a two sided rack card rather than brochure, there is limited space for that kind of information. Directing them to the web site, where there is far more information.

(Ed. My take on this, going to rack cards instead of a brochure to save some money. The web site can be changed as conditions change. Bring marketing more in house, reducing Launch Advertising costs. Remember, advertising costs took a big hit over the last year).

### **8c. Secretary Report - Billy Elbrock/local affairs**

Commissioner Elbrock turned over this portion to Kim Casford. The community is optimistic about getting out of the C19 hole from last year. The differences in restrictions between the two states have created some challenges. There has been a renewed interest in the RR, and how it helps the communities. There is increased desire to work with the RR, in part due to the 50th anniversary this year. Rio Arriba county (NM) will be lifting some restrictions in a few days. The projected operating schedule has been well received on both sides. Granted, things could change at any time down the road.

### **8d. Treasurer Report - Dan Love/capital projects**

He pointed out how the RR has recovered from a rough start 50 years ago, with one locomotive and bad track. 10 years ago when he came on board, the track upgrade project just got started. The track is now nearly the envy if the industry. The track upgrade still has a ways to go. There are still ties to replace, ballast to install, and drainage. Last year, things slipped due to C19, and spending elsewhere. The concept of self sustainability has been used to gain funding from CO. That once the track has been upgraded, the passenger cars updated, the RR can run on its own after that capital improvement funding. The track project was to be done by 2025, but now looks to be more like 2028. C19 has delayed the point of self sustainability, and that is disappointing. The two states economies are in rough

shape. Oil and gas in NM is taking a hard hit. He expects NM to reduce their funding. Future funding from CO looks a bit better than NM. He expects to regain the traditional \$1.1 million per year from CO. This year, CO provided about \$500,000, which doesn't go very far in the upgrade program. Commissioner Love doesn't see traditional funding levels in the future. The track program is in jeopardy.

Eric Mason was then asked to describe some of the new things for this season.

First, the RR will be closed on Mondays until September 14. This will give the track team more time for maintenance. After September 14, the RR will run 7 days a week until end of season. One trip option will be Chama-Osier-Chama (Tue, Wed, Thu). On Fri, Sat & Sun, a short trip to Chama-Cumbres-Chama. This gives passengers time in Chama for meals and shopping. The Chama-Osier-Chama trips will also have an option to get on/off the train at Cumbres (for a shorter trip, but with lunch). On Tue-Sat, runs the Antonito-Osier-Antonito train. 3 Sundays a month will be a shorter trip, Antonito-Big Horn-Antonito. One Sunday a month will be the historic car set, with 168 to Osier and back. (Ed. Check the [RR web site](#) for details as they get finalized, or as offerings get updated, or if I didn't get this right). These shorter trips are to allow more time for guests to visit the towns.

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

Tim started off by giving the status of tourist sleeper car 470. There will be three special sessions in Antonito to finish 470. It is a highest priority project for the friends, to have it ready for this season. Commissioner Love was pleased to hear this. To have this in a scheduled train with this car will be very special. The next friends board meeting will be in Colorado Springs (3/13), due to less C19 restrictions in CO. The fall meeting will then occur in Albuquerque. Tim then moved to the Chama/Antonito relief fund expenditures. \$106,525 was given. The friends organization put in \$50,000, and its members donated \$50,525. \$79,893 went to the Chama water vendor for its work on the Chama water issues. \$26,631 was split between the Antonito & Chama food banks. This really helped people affected by the C19 economic downturn. The work session postings have been made. Hopefully this will be a closer to normal year. Work in Chama had to end last year due to C19. Some work got done in Antonito, and Cumbres at the car inspectors house. The friends moonlight train is planned out of Chama July 23. The friends wanted to do a 168 charter in June, but is waiting to see how things go with the RR.

## **10. New Business**

### **10a. Authorize Interm CEO to negotiate and sign Toltec Gorge Catering Contract**

Passed.

### **10b. Approve 2021 Operating Schedule**

Passed.

## **Public Comment**

Scott Gibbs-He thanked Bill Lock and Dan Love for the effort they put into review into the 1472 for engine 315, which will be done in Antonito. Also to extend its stay on the C&TS until 2025. The 1472 will be performed next winter. Commissioner Love mentioned how nice it is to have on the property. When Mr. Love joined the commission, a 1472 ran about \$500,000, now it is \$3??,000 (garbled, sorry).

This is due to the experience being gained by the C&T staff. (Scott Gibbs notified me that the DRHS volunteer crew will assist in the work).

Kim Casford (as a Chama resident)-Thanking the friends for their efforts with the food bank. Last Saturday, the Chama food pantry provided over 200 units of food.

## **11. Adjournment**

**Next Commission Meeting: May 8, 2021.**