

Cumbres and Toltec Commission meeting 31-Jul-21

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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.

I would like to extend HUGE thanks to Steve Forney. Since I missed the meeting, I used his YouTube videos to type up this report. It was major work on Steves part to get his stuff posted so quickly.

His channel is here: [Steve Forney channel](#)

From his efforts I gained a copy of the audio so I can rehear the meeting for this report.

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New Mexico Commissioners: William Lock, Billy Elbrock

Colorado Commissioners: Scott Gibbs, Mark Graybill

Interm president of the Cumbres & Toltec railroad: Scott Gibbs

Glossary:

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)

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

FY: Fiscal Year

FRA: Federal Railroad Administration

HPA: Historic Preservation Account

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

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 May 8, 2021 commission meeting

6. President's Reports-Scott Gibbs

6a & b. Reservation Report and Charter & Special train update-Interim president Scott Gibbs

The RR has had two FRA reportable incidents in this last quarter. One was a Friends member who ended up with a crushed hand. One was from an extra train from one of the employees. There were two non-reportables, and a very minor motor car collision on Cumbres Pass. The RR is working on improving the situation. The operating season is off to a good start. The RR has been unwinding the C19 restrictions over the last few months. The TSA made a surprise visit on 7/14. It was learned that if all of the coach windows are open, they can be treated as open cars. No masks required. If the windows go up, the masks have to go on. That puts the RR in the same rule set as the other tourist RR's. Motor coach service between the two anchor towns resumed 7/31. The motor coach service costs an additional \$17.50. The reservations staff has done a great job dealing with the frequent schedule changes. The Antonito express that ran to Big Horn and back was dropped, running to Osier instead. And with motor coach service, trips can now be booked end to end. The May season started slow, as only the Antonito side was running, serving 244 people. June serviced 91% of guests compared to 2019, running just 86% of the trains compared to 2019 (operating six days a week). As of the meeting, over 25,000 guests have either been served, or have booked their trip. June revenue was 78% of that of 2019, which was a good year. The RR recovery process is going well. Four of the ten fireman/engineer schools have been run. There have been numerous requests for special trains. This is tough to do, as there are about 75 people today operating the RR. In previous years, there were 95 to 100. The employee shortfall is being addressed via overtime. Normal overtime in June is 9%, this year about 15%. Engine 489 was converted to burn oil over the off season. There are four qualified firemen for that locomotive. There are others in the training program. It takes four days, plus a one day check ride to qualify. Several firemen have asked for additional training with an instructor. With 11 people, that is about a two month training program. On July 22nd, the engine pulled 8 cars to the top of Cumbres from Chama. It performed well. Once all of the firemen get qualified, the 489 can be fully within the rotation. An HR review of policies and procedures has been completed. Scott has finalized an organization chart.

6c. Superintendent's report-Marvin Casias

There have been no canceled trains. Regarding overtime, the RR is training new people right now. It takes time to do so. Equipment needs repairs, as most of it is pretty old.

Things are being prepared for the equipment that will be arriving in Antonito for the VIHR. 120 more cords of wood arrived. Next, the wood will be stationed along the line for the VIHR. The Antonito yard cleanup will begin 8/2. This will assist in the parking crunch expected for the VIHR. An employee parking zone will be established. The Osier facilities are doing fine. The water systems are being controlled well for the RR.

6-. VIHR Update-Scott Gibbs

The event will start off with a collection of pre 1900 steam locomotives. They will arrive between 8/15 & 8/19. The first operations will be 8/21. That will involve 168, and 315 (backdated as 425) running to Big Horn and back. The next day will be two wood burners (guest equipment). The Nevada state museum is providing the Glenbrook, and Dan Markoff is providing the Eureka & Palisade engine. Those engines will run to Big Horn and back. There are several more events in the following days. On 8/27, the four locomotives mentioned above go to Chama. There will be a dinner train that weekend. 8/29 there will be an overnight trip to Antonito using the tourist sleeper car that the Friends have restored. It will leave Chama 10PM, arriving the next morning in Antonito at dawn. That train has been sold out for a year. A lot of photographers and visitors are expected to witness these VIHR trains.

6-. VIHR Update-John Bush

On 8/23 the RR and the Friends will demonstrate the pile driver OB, and the derrick. On 8/22, locomotive RGS 20 (from the Colorado Railroad Museum) will visit the RR. While it may be hot while on the RR, there are no plans to run it on the RR during the VIHR. On 9/1, 463 (lettered as 455), will make a double headed trip with RGS 20 to Osier and back. That train is sold out. There may be other RGS 20 operations. Scott mentioned on 9/5, Trains magazine has a charter with RGS 20. Tickets are available. During VIHR, there will be escorted trips of the TABB.

6d. Maintenance and Repair & Historic Car-Stathi Pappas

During the off season, methods were developed to treat the locomotive boilers to gain longevity. A testing and water treatment program has been established. The running locomotives have had about 3 boiler washes. After inspecting them, there is an improvement of boiler condition due to the program. A lot of the scale has come off, showing bare metal. This helps prevent corrosion, overheating, and cracking. This program requires daily attention to be effective. Things are going well with the 489. It was painted with high performance paint. Something desired for the other locomotives. It will be used on the others as they need painting. The passenger cars will also see similar paint in the future. Everyone has banded together to keep the RR running in a reliable way. One other change is car and locomotive work can be done on either side. This allows any work needed by anything can be done on either side. Locomotive 488 is nearing

completion. It was to be ready before the season began, but issues popped up. After the boiler is done, it will need its annual FRA inspection. It is important to have 488 ready for the fall rush. Historic car, pay car F, the roof structure is pretty much done. Next, are the side sills, where were really deteriorated. While this car arrived in rough shape, it is nice to have a chance to restore it. Putting a straight rough on top, allows everything below to come into true with it. The other three historic cars in the fleet have seen several test and revenue runs. The crew is learning how they handle out on the road. They have been to Chama and back. Over the next week the RR will work with the Friends on 470 (the tourist sleeper) to get it road ready for VIHR. It is going to be special to have 470 as part of the VIHR. The Friends have spent 12 years to beautifully restore this car, to as built in 1889 by Pullman. The other cars in the fleet were built by Billmeyer & Small, Jackson and Sharpe. The RPO 65 was a home built by the D&RG. These cars will display all of the major builders the D&RG used for its passenger cars. A great display of what the D&RG ran in the late 19th and early 20th centuries.

6e. Tracks Across Borders Byway-John Bush

The TABB board has resumed meeting in person. They have once met in Pagosa Springs, and once in Chama, and once in Ignacio. The board is getting back to life after C19. There is getting to be good involvement with the Chimney Rock group. The initial goal of TABB was giving visitors a reason to stay in the area, to increase tourism business. A discovered benefit has been improved communications between the two native American tribes along the TABB (Jicarilla and Southern Utes), and the anglo and hispanic communities. Chimney Rock, which is under the Forest Service, is doing an interpretive program, but they haven't asked any of the natives to be involved. John is reaching out to see if the two nations can be involved. The cell phone app has been completed. It can be downloaded by going to the app store. Entering "Cumbres" or "Cumbres & Toltec" in the search, it should come up. The app provides extra information along the TABB (as well as on the RR) at different points along the way. This app, used while riding on the RR can be a substitute for a docent, but not a replacement of a docent. Corrine Williams is to be thanked for putting it together. John then was asked about Utah D&RG engine 223. John is working on communicating with Utah about the status of the engine, what has been done, what remains to be done. Then to pitch the idea to return the engine to operational condition on the RR. Past experience shows that running engines are maintained, otherwise they "return to earth from which it sprang". Once John gets the proposal in draft form, it will be provided to the commission.

7. End of Year Financial closing report-Alysia Martinez

The overall balance in the CTO has improved. It is up about \$341,000 compared to last year. Deferred revenue is up from last year. That is primarily due to the VIHR. The commission balance sheet is strong. It supports itself for the time being. Operations thru FY 2022 will be in good shape when funding from the states arrive. HPA is fairly

inactive, with revenue arriving from ticket fees. It has improved about \$134,000 from the prior year. HPA balance is currently about \$1,074,000. The capital balance sheets are somewhat changed due to depreciation schedules. The CTO is doing better than expected. Revenue is up \$343,000 compared to last year. Better than expected. Labor costs are up significantly over last year. General and administrative fees below planned. Marketing is about \$58,000 less than last year. Commission P&L is strong. Capital spending for June was about \$209,000. About 32% of which was labor. The track crew has been busy, preparing for VIHR. Commissioner Lock asked if the support from the states has been consistent. Alysia replied that for the most part yes, but CO has been a little disappointing. Then the status of the audit was questioned. It will be done soon was the reply.

8. Off agenda, Community Relations report-Kim Casford

Kim has been working with the communities as the C19 situation changes. Now there is motor coach service, that is another change to work on. It has been tough on the business in the anchor towns as they have a tough time with staffing. Same with the RR. She is working on spreading the area served by the RR, reaching out to Pagosa Springs. The VIHR was presented as the 50th anniversary of the RR, and she wants to get the communities involved with the event. Eric Mason (prior intern CEO) asked Kim to assist the new HR manager to learn the ropes over a three week period. It has turned into a three month commitment. Commissioner Elbrock mentioned that Chama seems happy with the RR. John Bush asked if there has been any progress in having restaurants stay open into the evening for some of the VIHR events. Kim responded that many are going to cut their hours, as their staff returns to school. So, that will be an issue. Some of the hotels are stocking frozen dinners for their guests to microwave in their rooms. For now, Fosters is closed on Wednesdays & Thursdays for dinner. You can still get a drink there on those days.

8. Commissioner Reports

8a. Chairman Report - William Lock/finance

Commissioner Lock felt that Elysia covered finance well.

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

The commissioner thanked the entire staff of the RR for keeping things running well every day. He pointed out that currently there are about 75 people working for the RR, rather than around 100 two years ago. They are handling about the same amount of customers as in two years ago. He is very happy with the marketing effort this year. Abby Martinez, while new at this job, has been spearheading the process. The commissioner is very happy with her work. The RR is spending much less on marketing, but still getting

good results. The Chama side often sells out, and Antonito sells well too. There have been 25 media stories in the last month. Abby has very flexible where the ad dollars have gone. Most of the dollars have gone into digital to better target customers. He mentioned "Geofencing", a digital method of sending ads to people that are in the area, which Abby uses. John Bush asked if there is a difference in prebooking now vs. previous years. Commissioner Gibbs mentioned he doesn't have that data, but he was surprised at how many tickets get sold in the last 48 hours. Bookings the day before has been incredible. If there is a seat available in the morning for a Chama train, walk-ups will buy them. When looking at bookings out into August, it looks bad. The trains are selling well within two days of the trip. Mr. Bush mentioned in his experience that customers booked their trip once they got pretty close to the RR. Commissioner Gibbs explained that the target area for customers is being expanded to Pagosa and Alamosa. An audience member mentioned that people arrive in Chama not knowing about the RR, then decide to ride. Commissioner Graybill mentioned that when a locomotive is added to a train, increasing capacity, Abby has been targeting advertising to sell the extra seats. Mr. Bush mentioned a Friends member that built a display that is currently in the Alamosa visitor center, to promote the RR. That member is building two more for visitor centers in Pagosa. Commissioner Graybill mentioned that advance reservations are strong. He reminded the audience that this year, more than 25,000 have either ridden the train this year, or are still to ride. This compares well with the 32,000+ that rode two years ago. The RR looks to be in a good spot.

8c. Secretary Report - Billy Elbrock/local affairs

Commissioner Elbrock said he felt the relationship between the village and the RR is good. He mentioned that he can't keep his own Chama restaurant open in the evening as he can't find employees. Commissioner Graybill said the RR employees are just awesome, stepping up even while short staffed. He mentioned how many businesses have had to cut back on operating hours due to employee shortfalls. He also mentioned how restaurants in Georgetown CO, that used to be open 7 days a week are now closed 2 days a week. Shops there are now only open 4 or 5 days a week, rather than 7.

8d. Treasurer Report - Scott Gibbs/capital projects

NM looks to be on track for capital funding. One piece of CO funding is in trouble, there is a chance to get it worked out. The second piece of CO funding is a possibility of stimulus money (a block grant), a one time chunk of money. The request for the block grant request includes \$1 million for wells & fire mitigation. NM also has some stimulus money. It was so targeted to certain things, that it didn't work out for the RR. CO is going to be an uphill battle. Commissioner Graybill pointed out how the CO governors office is an important part of funding. The JBC is another important part. Commissioner Gibbs pointed out that there have been a lot of personnel changes in both History Colorado, as well as the governors office. That leaves the RR to explain its mission to the new staff, to

regain funding. There are some deferred maintenance items that need to be addressed. Osier station being mentioned. There could be some grant money to help with that. Osier needs painting. Keeping generators at Osier running has been a real challenge. Scott then really wanted to acknowledge the employees of the RR. For instance they went the extra mile to make the 4th of July train a success. That train was an add on this season. The staff has been impressive.

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

Last week, the Friends ran their moonlight wine tasting train. It had 146 people. The dinner at Cumbres went very well. The Friends have signed a contract with AMCAT construction out of Durango. It is a \$20,000 contract. \$10,000 has been deposited. They will be working on the car inspectors house at Cumbres to complete the roof. That work should be completed by end of season. John Engs has been rounding up members to be tour guides and more for the VIHR. Tim thanked the RR for the help to get the 470, tourist sleeper car finished. It needed a little bearing work. The Friends charter for 9/27 is sold out. There is work being done at Sublette. Wasps there added to the challenge of the work. The pile driver is being prepared for its demonstration at the VIHR. Things are feeling a lot more normal with the work sessions. The Friends are using Launch advertising to promote a membership drive. Membership numbers over the last few years has been static. Younger new members are desired (30-40 somethings). The Friends are just trying to get back to normal. One of the docents in attendance mentioned when he worked one of the historic train sets that went to Big Horn this year. Several people really had an interest in how the cars were restored. With the Friends work on the 470 car, it is a great introduction to people what the Friends organization does. Mr. Tennant pointed out that the Friends are like a small construction company. The commission thanked the Friends. Tim thanked the commission as well as the RR staff that helps the Friends.

10. New Business

10a. Consideration of Joint proposal with the Friends to commence work on the Chama storage facility. Note: Motion for use of HPA funding 10/28/2018 to approve Chama car storage buildings in the amount of \$230,000 in fiscal year 2019, and \$250,000 in fiscal year 2020. (Discussion only was mentioned at the beginning of the meeting).

10b. Executive session for legal matters

No decisions were made in the executive session.

12. Adjournment

Next Commission Meeting: November 13, 2021