

Friends of the Cumbres & Toltec Scenic Railroad, Inc.
Minutes of Board Meeting held June 24, 2001
El Meson Lodge, Chama, New Mexico

Board members present: Curt Bianchi, Roger Breeding, Roger Briggs, Howard Bunté, Bob Craine, Parker Fowler, Geof Gordon, Jim Herron, Bill Lock, Phil McDonald, Art Nichols, Art Randall, Jerry Sahn, Terri Shaw, Spencer Wilson. Absent: Dennis Sterosky, Chris Krahling, Warren Smalley. Guests: Carol Salisbury, Jack Salisbury, Jay Wimer.

1. Call to Order

President Shaw called the meeting to order at 8:42 a.m.

2. Appointment of Temporary Meeting Chairman and Secretary

Shaw appointed Shaw temporary meeting chairman and Bianchi temporary meeting secretary.

3. Approval of Minutes of the Board meeting of March 24, 2001

Shaw asked for corrections. Craine noted that "counsel" was misspelled in section V.

M/S Fowler/Sahn to approve the minutes as corrected. **Passed unanimously.**

4. Election and Appointments

4.A. Report from the Nominating/Elections Committee

The Nominating Committee reported the results of the Board of Directors election:

Howard Bunté	660 votes
Geof Gordon	654
James Herron	653
Spencer Wilson	650
Bill Lock	646
Art Randall	624
Jerry Sahn	619
Chris Krahling	587
Dennis Sterosky	534
John Pritchard	370

All candidates with the exception of John Pritchard were elected to two-year terms.

Committee Chairman Herron reported on its meeting to discuss election procedures. This year's election was the first in some time in which there was a candidate nominated by petition, and one of the biggest problems was that the deadlines as specified by the by-laws are too close together. He suggested modifying the by-laws to move notification of election to the last Dispatch of the year, and to move the nomination by petition deadline to March 15. In addition, he wants to research how other not-for-profits handle elections to see if our procedures could be improved in other ways. He also said that he would like the by-laws to explicitly specify how vote counting is conducted, in case the process is challenged in the future.

Committee member Fowler suggested that a role of the Nominating Committee should be to prepare a slate from all nominated candidates that the committee believes best serves the organization, taking into account the board's present capabilities and those the board needs. He feels strongly that as we become more professional, it is important that the membership know that the individuals on the slate are there because they have met qualifications or criteria.

Shaw asked the Nominating Committee to reconstitute as an Election Committee to study the nomination and election process, and to bring recommendations to the October board meeting. Lock asked to be included on the committee.

4.b. Election of Officers of the Corporation

Shaw reported that the Nominating Committee proposed the following slate of officers: Terri Shaw, President; Jim Herron, Vice President; Curt Bianchi, Secretary; Dennis Sterosky, Treasurer.

M/S Lock/Craine to accept the slate of officers as proposed. **Passed unanimously.**

4.c. Appointment of NM and CO Representatives to the Executive Committee

Shaw proposed that Jerry Sahnd and Roger Breeding continue in their roles as the Colorado representative and New Mexico representative, respectively.

M/S Craine/McDonald to appoint Sahnd and Breeding. **Passed unanimously.**

4.d. Appointment of Consulting Directors

Shaw recommended as consulting directors Frank and Anne Burton, Earl Knoob, C&TS RR Commission Executive Director Bob Johnson, and RGRPC General Manager Dan Ranger. Shaw asked for additional recommendations from the board. No additions were made.

M/S Lock/Nichols to appoint the aforementioned individuals as consulting directors. **Passed unanimously.**

4.e. Recommendations for Minutes Distribution List

After a brief discussion it was agreed that Joe Vigil and Steve Benezra should be added to the distribution list, as well as any joint planning committee chairmen not already on the list. Steve Schroeder and Dick Cowles will be included as past board members. Shaw will ask Wayne Freeark if he wishes to continue receiving minutes.

5. Financial Matters

5.a. Financial Report

Shaw distributed a balance sheet and a budget vs. actuals report--both including data as of June 7--and she led the board in a review of the documents. Expenditures to date appear to be within budget. She noted that some expenditures appear to be out of line in the report because we are still switching to distributing expenses across the programs to which they apply, and while this is reflected in the budgeted figures, not all of the actual figures have been distributed in this way.

Shaw pointed out some unbudgeted expenses that we will incur:

- We will need to reprint the walking tour brochures and membership brochures because they are being consumed at a much faster rate than anticipated.
- We purchased 500 copies of the May 2001 issue of TRAINS magazine featuring the railroad on its cover, which we are using for public relations with legislators and others.
- We sponsored work session dinners. (There is income from this as well.)
- We are also now paying rent on the Colorado Springs restoration facility.

There was some discussion of our historic equipment assets: how they are valued, whether they depreciate, and the procedures for transferring ownership of such equipment to the commission. It was

noted that valuation needs to take insurance implications into account. Lock reported that our accountant says the equipment is not depreciated.

5.b. Fundraising

5.b.1 Grants Approved

Shaw reported that the Narrow Gauge Trust Fund grant was passed through to RGRPC. The State of New Mexico Historic Preservation Division approved a grant for \$2,000 to fund the production of a Spanish language version of the walking tour brochure.

5.b.2. Grants Pending

Shaw submitted a letter of intent to the Los Alamos National Lab Foundation (LANLF) for a \$10,000 matching grant for asbestos abatement on locomotives 483 and 492. We originally submitted this proposal in the summer of 1999, but by the winter of 1999 the situation at the railroad had changed and LANLF suggested we modify the grant to support winter shop work, which they approved. She expects to hear something about our latest request sometime this summer.

Shaw reported that we might submit an application to TRAINS magazine for their preservation award, which would fund a structural study of the coal tipple, and a preservation plan. Shaw will meet with an engineer and architect on Monday to see what would be involved in producing such a study.

5.b.3. Mid-Year Letter

Shaw plans to send letter to the membership in July for additional fund-raising. McDonald asked if this letter would include requests for equipment and materials. Shaw said it would not, but she would like a section added to the Dispatch alerting people to our needs. She deferred this to the Projects Committee for recommendations

5.b.4. Fund-Raising Strategies

Shaw reported that she is working with a fund-raising consultant to develop an overall fund-raising strategy, including grant writing. She expected to have more details at the October board meeting, but reported on some of the results. One thing she has learned is that in order to attract substantial grants we have to be very specific in describing our needs. We want to have a variety of programs, and within those programs a breakdown showing what different amounts of money will contribute. We need to do this for everything for which we want to raise money. In other words, develop a "book" of projects broken down into sub-projects. It will require considerable preparation, and she is starting to develop the material. It is slow and time-consuming, and is why it takes a couple of years to bring such a program into being. Most importantly, the bedrock of any non-profit organization is its membership. That's where we will often find donors or links to donors, and is the reason we need to pursue initiatives to increase membership. Although we could employ professional fund-raising help at some point, it is the volunteers who ultimately raise the money because they know the program better than paid staff.

At this time Lock pointed out that the board failed to elect two assistant treasurers. Shaw recommended Steve Schroeder and Chris Krahling.

M/S Lock/Fowler to elect Schroeder and Krahling as assistant treasurers. **Passed unanimously.**

6. Master Calendar

6.a. Date for Fall Board Meeting

The date was tentatively set for October 12-13, 2001 in Colorado Springs.

6.b. Dates for 2002 Work Sessions

Prior to setting the dates there was some discussion of the May work sessions: whether they will become annual events, and whether they should be held such that the last work session ends just prior to opening day. Director Gordon, speaking on behalf of RGRPC, warned against a large work session the week before opening day. The board also considered whether the June work sessions had grown too big, and considered the possibility of July work sessions, as well as the possibility of smaller work sessions that would not have the social aspect of the larger ones, but would be focused on fewer projects. With respect to the June work sessions getting too big, it was pointed out that projects are scheduled based on when the team leaders are able to attend, thereby limiting our scheduling flexibility. Shaw suggested that we ask team leaders to be aware of the problem and attempt to be flexible in scheduling.

The 2002 work session dates were proposed as:

Work Session A May 13-17.
Work Session B May 20-24.
Work Session C June 17-21.
Work Session D June 24-28.
Work Session E August 5-9.
Work Session F August 12-16.

M/S Lock/Bianchi to adopt the six work sessions as proposed. **Passed unanimously.**

M/S Lock/Gordon to schedule the Friends annual meeting on June 21. **Passed unanimously.**

The June board meeting was scheduled for June 16.

6.c. Dates for 2002 Charter Train Events

Railfan Committee Chairman Lock recommended railfan trips on June 21 and 22, and a moonlight train on July 20. As to the railfan trips, the committee proposes an eastbound trip on Friday with a freight consist for a maximum of 30 riders, priced at \$200-250. This would appeal to national railfans rather than the typical work session volunteer. The return trip on the following day would be for volunteers. They would be bused from Chama to Antonito, returning by train. There was some discussion of whether this was too much to schedule during the June work sessions, and whether the bus/train combination would make for too long of a day. Ultimately the board deferred to the Railfan Committee to pick the dates and types of trains.

6.d. Joint ARM/TRAIN Convention Nov. 6-11, Spencer, North Carolina

President Shaw and other board members will attend the convention.

7. Committee Matters

7.a. Dispatch

Dispatch Editor Nichols reported that the next Dispatch will be mailed in the second half of July, and will include articles describing the off-season locomotive and car work, and a long article by Roger Breeding that promises to be interesting. The fall issue will report on the June work sessions. The winter issue will report on the August work sessions. Nichols also told the board that he believes there will need to be some changes in the Dispatch to reflect the Friends' expanding role in the railroad with the creation of RGRPC. Bunté wondered if we should sell the Dispatch on the train. There was some intent to sell them in the depot last year, but it didn't materialize.

There was some discussion of putting the Dispatch on the web. Shaw pointed out this has been discussed before, and in the past there has been general consensus not to "give away" the Dispatch on the Internet because it is universally felt to be an important membership benefit. Various ideas were

discussed to put the Dispatch on the Internet without compromising the membership benefit, such as providing member-only access, posting one article from each Dispatch, or posting "best of" articles from past Dispatches. Nichols suggested that another editorial staff would be needed for providing online material. There was further discussion of whether all of the Dispatches could be collected and put onto a CD. Nichols pointed out that we do not complete copies in electronic form, but we do have a complete hardcopy archive.

7.b. Membership Committee

Chairman Bunté reported there are 1725 members at present. The trip map has been a tremendous aid in soliciting riders as members, and he believes we will top 2000 members by the end of the year. He also reported that Director Wilson has crafted a nice handbook of historic place names for the car hosts, and he is also creating a history of the Friends. Regarding the docents on the train this past week, Bunté said that many riders told him that they enjoyed having the docents aboard.

7.c. Projects Committee

7.c.1. Work Sessions

Chairman Sahnd reported that work session A went extremely well. A record number of volunteers participated, and a lot of work got done. He also thanked the RGRPC for their help. The three car projects in Chama went very well and we may pick up another drop bottom gon in August. Sahnd reported that the May sessions consisted of a focused group of individuals, and he singled out Jack Salisbury for making the clean up happen. Many people have commented on how much better things look. Randall pointed out that between May and June things have begun to get cluttered again, and there should be some effort by the RGRPC to maintain the appearance of the yard. All agreed that this is important.

Bunté commended Sahnd for his depth and command of the tool car in the absence of Don Metzler. Director Breeding commended Bob Tully for the excellent letter he sent to his team members welcoming them to the team, and we should encourage all team leaders to likewise. Breeding also commended Dave Ferro, who brought 2500 pounds of parts and tools with him from Florida to work on the speeders.

7.C.2. Colorado Springs

Sahnd reported that we have completed the move to our new location in Black Forest. Shaw reported that completion of the lease was more difficult than anticipated because the zoning for the property is rural residential 3, not commercial as originally believed. For us to erect a permanent facility would require a variance, which could be costly and time-consuming, so we will erect a temporary structure instead. This will cause us to incur rent of \$250/month, which was not budgeted.

7.c.3. Coal Tipple

This was previously discussed under fund-raising.

7.d. Publications

7.d.1. Preservation Study

The reprint is at the publisher. It was delayed due to the addition of a revised car roster. This will impact our expected income from book sales.

7.d.2. Brochures

As mentioned before, we need to reprint both the membership and walking tour brochures. The text for the Spanish walking tour is almost ready to be typeset. We also have a German translation done by one of our members.

7.e. Train Charter Events

Lock reported that we sold 126 tickets for the Preservation Explorer, and he expected that we would make a profit of up to \$2000. The proposed 2002 railfan trips were previously discussed.

8. Old Business

Director Randall expressed concern over the recent treatment of certain historic assets, both those belonging to the commission, as well as those belonging to the Friends. He emphasized that we need a policy with respect to the use of historic equipment, its care, and the Friends' and RGRPC's responsibilities for that equipment. He worries, for instance, about historic cars being taken out of service and becoming cannibalized for parts. He was also quite disappointed to find that the brake gear had been removed from four of the Friends' Andrews trucks without our permission. Shaw recommended that she and Randall talk with RGRPC General Manager Dan Ranger, and that she would talk to her counterpart at the commission.

9. New Business

9.a. Resolution Commending Leo Schmitz

M/S Lock/Fowler that we commend Leo Schmitz for his past work and services on behalf of the railroad. **Passed unanimously.**

9.b. Commission meeting Sat., June 30, 2001, 9:00 a.m., Chama Village Hall

A plaque will be presented to Schmitz at the commission meeting.

9.c. Other New Business

Director Briggs related that Sonny Honegger, an employee of RGRPC, has a 10-ton crane that he would like to move to the railroad. Honegger has asked if the Friends would split the cost of moving it, in which case it would be made available for our use. Our cost would be \$1200. Director Sahn pointed out that we have previously rented a forklift for \$2600 for past work sessions, so the cost is reasonable depending on our need. There was a discussion regarding how long we could use the crane, whether we had specific needs for it, and so on.

M/S Lock/Briggs the board authorizes the Projects Committee to spend up to \$1200 at their discretion to pay for moving the crane, with payment made upon invoice. **Passed unanimously.**

Sahn reported that he was approached by Colorado individuals wondering how we can get new and younger members into the organization. He thinks this is important, and suggested developing ties with scouting as one possibility. Shaw reported that discussions regarding program possibilities with both the Boy and Girl Scouts are underway.

10. Adjournment

M/S Fowler/Bunté to adjourn. Adjourned at 12:36 p.m.

Respectfully submitted,

Curt Bianchi, Secretary