

**Friends of the Cumbres & Toltec Scenic Railroad, Inc.**  
**Minutes of Board Meeting Held December 15, 2004**  
**Telephone Conference Call**

Board members present: Curt Bianchi, Bob Craine, Nan Clark, Jim Herron, Bill Lock, Ed Lowrance, Art Nichols, Bob Ross, Warren Smalley, Bob Tully, Frank Yockey, Jerry Sahnd, Spencer Wilson, Brian Shoup, Tim Tennant.

Board members absent: Parker Fowler, Phil McDonald, Geof Gordon, Dennis Sterosky.

Guests: Bill Kepner, Tim Bristow.

**1. Call to Order**

Chairman Herron called the meeting to order at 7:05 p.m. MST.

**1. Welcome and Introductions**

Secretary Bianchi did the role call.

**1. Review of Strategic Plan**

Director Yockey reviewed the strategic planning process to date, and described the current draft of the plan, which incorporates feedback from the board and others.

There was some discussion about the size of the document, particularly with respect to its use with funding entities. Director Yockey said that there is no single document that can serve all purposes, and suggested that there could be a separate summary document. The document produced by the task force is primarily aimed at our members, and contains quite a bit of information that the task force feels should be made available to them.

Director Yockey indicated that the majority of the strategic planning work is still ahead of us, but we need to reach agreement as to the direction and essence of our strategy before beginning work on tactics.

Director Clark highlighted some of the specific changes that have been made to the document since October. The term "customer" was changed to "recipient," for example. The task force incorporated the public purpose in the first portion, and included the commission and the states and the communities as full partners in terms of the financial benefits of the railroad.

Director Ross talked about how the document defines our strategy, and about the five-year objectives. The real work will come with the need to organize ourselves properly in order to carry out the tactics necessary to achieve our objectives.

Director Tully asked for a PowerPoint summary as we had at the October board meeting. There are some people that won't read the entire document. Second, he felt it was very important that the objectives not be put in priority order, as it is now.

**M/S Tully/Sahnd** accept the plan as written with whatever changes we make on the phone today.

The board continued discussion, particularly about five-year objectives, and objectives versus tactics. Director Yockey stated that the task force defined six broad objectives that give direction for the organization. The next step is to take these broad objectives and start putting together specific tactics

with measurable goals for their particular committee as it might apply to these objectives. A particular committee may not have any tactics with regard to these objectives, and that's okay.

Some directors urged that the proposed Chama interpretive center be given a specific objective, given that it would be the biggest project we will have ever undertaken, financially and otherwise.

Director Sahnd asked for a flowchart of the planning process

The motion was then put to a vote. **Motion passed unanimously.**

## 2. Finance Committee Report

Treasurer Sterosky presented the report. Year-to-date, the organization has a net operating loss of about \$8200. President Shoup reported that membership renewals are coming in strong. There was discussion of the \$40,000 reimbursement from the commission, and whether the commission has formally approved the reimbursement. Treasurer Sterosky said that we need a legal commitment from the commission by December 31 in order to book this amount on our formal financials.

Treasurer Sterosky asked that we send a letter to our board members for tax deductibility purposes for travel and expenses with regard to meetings. He also noted that we have hired a part-time person, who by law must be treated as an employee.

**M/S Lock/Wilson** to accept the financial report. **Passed unanimously.**

## 3. Nominations Committee Report

Committee Chair Ross presented the report. The committee's charge is to recommend any changes in board size, and to nominate a slate of candidates to fill the openings for the coming year's board of directors election. At present we have an 18-member board, with two known vacancies. The bylaws call for a board of between 14 and 20 members. The committee considered two issues with respect to board size. One was the feeling of the committee and some members that the size of the board is too large to be effective and efficient. The second issue was the ongoing strategic planning process. The implementation steps are broad ranging. One of the steps is to look at the efficiency of the organization, and determine if the organization is organized properly to carry out its objectives.

Putting these two issues together, the committee recommended that it would be prudent to put a slate together that does not fill the two vacancies, feeling that the strategic planning process will indicate what size board is appropriate.

**M/S Ross/Nichols** that the board approve the Nominating Committee recommendation to establish a slate of seven candidates.

The board continued discussion. There was some concern about reaching quorums with a smaller board. Treasurer Sterosky was strongly opposed to reducing the size of the board, feeling that the problem is not the size, but that the board tends to direct at too detailed a level rather than establishing policy. **Motion passed 10-3.**

## 4. Restoration of Locomotive 489

Director Craine related that Dick Cowles called him a few weeks ago, saying that the Chama shop staff could be laid off soon until the state appropriations process is complete around the first of April. This is particularly disturbing to Carl Turner because he hoped that the restoration of locomotive 489 could be started sometime in January. Mr. Cowles asked the Friends to consider loaning the commission \$100,000.

The board discussed the possibility of a loan, and felt strongly that the Friends should act if the situation warranted. But the board also felt that there was not enough information, and too many unanswered questions, to approve a loan or use of ACNGS funds at this time.

**M/S Sterosky/Wilson** to look at the potential of loaning the commission up to \$100,000, but only after a specific plan has been received, and that we only advance funds on a progress basis. Further, the Executive Committee is authorized to approve the details on behalf of the board. **Passed unanimously.**

It was decided that Chairman Herron, incoming president Tennant, and directors Craine and Smalley would investigate further and report to the Executive Committee.

#### **5. Outgoing President's Remarks**

President Shoup thanked the entire board for giving him a two-year adventure that has been full of great experiences. He thanked everyone for giving him the opportunity, and wished the organization the very best. He plans to continue with the Friends and hoped to see us next summer.

#### **6. Incoming President's Remarks**

Incoming president Tennant thanked everyone for providing him with the opportunity to serve as the organization's president. He has had the luxury of spending a week here in Albuquerque. He thanked outgoing president Shoup and Gwen Lotz for helping him to get up to speed, and he thinks we have an exciting 2005 ahead of us. He looks forward to working with all of us.

#### **7. New Business**

There was no new business.

#### **8. Adjournment**

The meeting adjourned at 7:23 p.m.

Respectfully submitted,

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Curt Bianchi, Secretary