

Friends of the Cumbres & Toltec Scenic Railroad, Inc.
Minutes of Board Meeting Held June 18, 2005
El Meson Lodge, Chama, New Mexico

Board members present: Curt Bianchi, Nan Clark, Bob Craine, Parker Fowler, Jim Herron, Ed Lowrance, Bill Lock, Phil McDonald, Art Nichols, Bob Ross, Jerry Sahnd, Warren Smalley, Dennis Sterosky, Dan Pyzel, Tim Tennant, Richard Tower, Bob Tully, Spencer Wilson, Frank Yockey.

Board members absent: None.

Guests:...Terri Shaw, Howard Bunté, Caroline Tower, Dick Cowles, Kim Smith.

1. Call to Order

Chairman Herron called the meeting to order at 8:05 a.m. MST.

2. Approval of Meeting Minutes

Chairman Herron asked for corrections to the March 2005 board meeting minutes, and the minutes of the April and May Executive Committee meeting. There were no corrections.

M/S Fowler/Craine to approve the minutes. **Passed unanimously.**

3. Board and Officer Elections and Committee Appointments

Secretary Bianchi read the Board of Directors election results:

Nan Clark	679 votes
Richard Tower	675
Bill Lock	673
Spencer Wilson	673
Ed Lowrance	672
Jim Herron	669
Dennis Sterosky	668
Dan Pyzel	667
Jerry Sahnd	653

All nominees were elected to a two-year term.

Chairman Herron proposed a slate of officers for 2005 consisting of:

Bob Craine	Chair
Bob Ross	Vice Chair
Curt Bianchi	Secretary
Dennis Sterosky	Treasurer
Bill Lock	Assistant Secretary
Bill Lock	Assistant Treasurer
Spencer Wilson	Assistant Treasurer

M/S Fowler/Smalley to approve the slate of officers. **Passed unanimously.**

Director Herron turned over chair of the meeting to newly appointed chairman Bob Craine.

Chairman Craine proposed the slate of Executive Committee members:

Bob Craine	Chair
Bob Ross	Vice Chair
Ed Lowrance	Colorado Representative
Bill Lock	New Mexico Representative/Founder
Curt Bianchi	At Large
Dennis Sterosky	At Large
Jim Herron	At Large
Tim Tennant	Ex Officio

M/S Sterosky/Lock to approve the Executive Committee members. **Passed unanimously.**

Chairman Craine proposed the slate of consulting directors:

Howard Bunté
Ann and Frank Burton
Steve Malnar
Terri Shaw
Kim Smith

M/S Lock/Sterosky to approve the slate of consulting directors. **Passed unanimously.**

Chairman Craine reviewed the proposed committee memberships. He noted that the proposal eliminates the Membership Committee. Its functions will be moved to the Development Committee, and administrative tasks handled by President Tennant and staff. This will require a change in the by-laws.

Director Yockey suggested that the docent program report directly to President Tennant, rather than be part of the Interpretation Committee. He felt that it is a program, not a committee. As a result, he recommended dropping Rich Muth and Chuck Heroneme from the committee, and adding Howard Bunté. Frank Yockey will remain on the committee, but will no longer be a co-chair.

Director Lock asked that Steve Schroeder be added to the Railfan Committee.

M/S Tully/Yockey to approve the committee rosters as presented by Chairman Craine and amended by the board. **Passed unanimously.**

Outgoing Chairman Herron thanked the board for the chance to serve as the head of the corporation for the past four years. On behalf of the board, Chairman Craine thanked Director Herron for his service as chairman, remarking that he brought stability and focus to the organization.

4. Discussion of Strategic Plan

Chairman Craine noted that we completed the first phase of our strategic plan earlier this year, and the next phase is to put in place the organizational and tactical plans necessary to carry out the strategic plan. To that end, he reviewed his memorandum describing the committee and organizational structure necessary to carry out operations for 2005 and 2006, and directed the board's attention to the 2005 operating plan.

Chairman Craine noted that the RGRPC Treasurer Rich Casford has indicated that the IRS has approved the legal separation of RGRPC from the Friends, but RGRPC has not received an official ruling on its foundation status. That is expected soon.

Chairman Craine asked Director Ross to discuss the goal of museum accreditation. Director Ross described the desire that we become a more formal museum in the eyes of the standardized world, working toward full accreditation as a museum. We must organize policies and procedures that conform to standards, and develop an organization that would support a museum. He urged that we need a formal working group to address accreditation.

Howard Bunté noted that the Association of Railroad Museums doesn't accredit museums. Rather, it provides recommended practices. The standards defined by the American Association of Museums accreditation do not easily apply to operating railroad museums. In fact, there currently are no railroad museums with AAM accreditation. There was discussion that striving for accreditation not come at the expense of the "living museum."

In summary, it was felt that the Friends should not focus on accreditation itself as the goal, but to apply the useful components of accreditation that can help us mature as an organization; for example, providing a fulltime curatorial role.

5. President's Report

President Tennant reviewed his report.

- Funding of \$22,843 was received from the Gates Family Foundation in May.
- Steve Malnar has resigned as a commissioner to accept the role of the commission's executive director. Rey Medina accepted the appointment to replace Mr. Malnar as a New Mexico commissioner.
- Of the \$70,000 grant that was extended to the commission in January for repair work on locomotive 489, \$7,465.25 has been expended for the purchase of parts and materials.
- At its May 26, 2005 meeting, the commission passed a resolution in support of the Friends' application for funding through ISTEAs relative to the interpretive center project in Chama.
- A funding request in the amount of \$6,000 was submitted to the North American Railway Foundation for work on the Governor Richardson car.
- With the initiative of Dick Cowles, the USDA grant application has been resurrected for work on the Chama depot roof.
- The commission has scheduled a legislative train for Friday, September 30.
- The TRAINS membership solicitation has resulted in 165 new members, contributing dues of \$11,635. Total membership stands at 1,928 members, with membership income of \$193,032.68, as compared to \$183,733.63 at this time last year.
- Director Tully and President Tennant met with Antonito Mayor Herman Trujillo, expressing our willingness to work with the town toward the restoration of the D&RGW depot.

Following his general report, President Tennant reviewed his analysis of the costs of a membership. His analysis indicates the true cost to be \$36.53 per member, and he recommended increasing the minimum dues from \$25 to \$30, and increasing foreign membership from \$35 to \$40.

Director Clark reported her analysis of members at the \$25 level. There are 439 \$25 members in 2004, excluding gift memberships. In 2005, about 19% jumped to \$50 or higher, while 24% did not renew at

all. This leaves approximately 200 people that would be required to increase their dues by \$5. She suggested that in 2006 we notify people that we will be raising the rate beginning in 2007, the main reason for deferring it by a year being that we have printed materials containing the \$25 amount. If the printed materials need to be replaced for 2006, then it would make sense to go ahead and implement an increase next year.

Director Nichols felt that a statement should be placed in the *Dispatch* indicating the increase in dues.

M/S Lock/Clark to increase the dues effective in 2006 to \$30 for a basic membership, and \$40 for a foreign membership. **Passed unanimously.**

M/S Lock/Wilson to receive the President's Report. **Passed unanimously.**

6. *Dispatch* Report

Director Nichols presented the report. He thanked the board for the Palmer Award. The summer issue of the *Dispatch* is underway, and should be out in July. He has received photographs and reports of the work session A and B activities. We will need to turn our attention to the annual report soon.

Director Nichols notified the board of his intention to step down as editor of the *Dispatch*. He will not do so immediately, and expects the transition to take about a year.

7. Triad Agreement

Director Lock reported on the progress of the restated Triad Agreement. Previously, the commission and RGRPC had approved the restated agreement in concept. The commission then hired a Colorado Attorney General to review the draft, and she rewrote it into an entirely different concept--one in which the Friends would be subservient to the commission and RGRPC. Director Lock and President Tennant and two commissioners plan to meet with the attorney general to stress that this is an agreement in which all three parties are equal stewards in managing the railroad.

8. Master Calendar

The following dates were establish for future meetings and work sessions:

2005 Fall board meeting	October 28-29, 2005
2006 Spring board meeting	March 17-18, 2006
2006 Work Session A	May 15-19, 2006
2006 Work Session B	May 22-26, 2006
2006 Work Session C	June 12-16, 2006
2006 Annual Meeting	June 16, 2006
2006 Summer board meeting	June 17, 2006
2006 Work Session D	June 19-23, 2006
2006 Work Session E	August 7-11, 2006
2006 Work Session F	August 14-18, 2006

The board discussed the possibility of an alternate location for one board meeting and asked President Tennant to research possible locations.

M/S Lock/Smalley to approve the calendar as proposed. **Passed unanimously.**

Director Lock discussed possible dates for the Moonlight Train. The best opportunities are Saturday, July 8 and Saturday, August 5. Informal consensus indicated that August was preferred. Chairman Craine asked Director Lock and President Craine to finalize the details.

9. Development Committee Report

Director Craine presented the report. Director Ross has agreed to assume the chair of the committee.

Regarding the Another Century of Narrow Gauge Steam campaign, total current assets are \$126,636.02 in cash, and \$20,000 in a note receivable from RGRPC. Total donations received to date are \$479,923.45. Total expenditures to date are \$353,287.43.

Chairman Craine expressed the need to initiate a planned and testamentary giving program. This is being worked on, and he hoped to have it in place by the October board meeting.

Director Ross thanked Chairman Craine for his efforts in establishing the Development Committee, and the success of the ACNGS campaign, and the board expressed their appreciation as well.

10. Finance Committee Report

Treasurer Sterosky reviewed the financial statements. We are tracking our budget very well, and are on track to produce a small net profit per the budget. He noted that the Moonlight Train was an unexpected source of profit.

Chairman Craine expressed the need for better forecasting tools so that we have a better feel in June where we will stand in November.

M/S Ross/Yockey to accept the financial reports. **Passed unanimously.**

11. Restoration and Interpretation Programs Report

Director Tully presented the report. This year's work sessions have gone remarkably well. There was a noticeable increase in the number of first-time volunteers at this year's work sessions. He talked about the donations that have occurred during the work sessions, including pipe for the pipe train, as well as transportation for the pipe.

Despite the best efforts of the Projects Committee to control costs, we are over budget. Director Tully's best estimate is that we have already spent \$49,000, which is the budget for the entire year, and there are still three work sessions to go. We will be over budget, but it is hard to estimate by how much.

The board gave Director Tully his thanks for the great job he is doing with the projects.

Director Yockey reported on the docent program. There are 32 active docents who have worked this year or last year. There are also several new docents undergoing training. So far, we have been able to send out two docents per train. We have a 14-page docent manual for training. Next year, the biggest issue will be to find a new onsite coordinator to replace Chuck Heroneme. Director Smalley reported that RGRPC views the docents as an indispensable part of the railroad.

Terri Shaw reported on the interpretation programs. She delivered her primary report to the board in March, and those programs are proceeding. Her committee is also working on an application to establish national status for the railroad on the National Historic Register. (The railroad already has local historic status.) Achieving national status gives the railroad more credibility, and makes it eligible for new kinds of grants for which it wouldn't otherwise be eligible. The committee intends to complete the application by the end of the year. Ms. Shaw noted that once you have achieved national historic status, you then become eligible to work for national landmark status.

12. Chama Structures Task Force Report

Director Clark thanked the board for their attendance at the interpretive center walk around that took place the day before the board meeting. She talked about some of the guidelines for museum accreditation, such as an archival storage facility, and how this has helped to drive the idea of an interpretive center.

She informally polled the directors about three potential sites for an interpretive center: two along the bluff between Terrace Ave. and the parking lot, and the third at the north yard above the oil dock. A fourth proposal—to build a structure similar to the warehouse where the parking lot is now—was taken off the table for lack of support. Each of the remaining sites have their pros and cons, and there appears to be no clear cut favorite. Dick Cowles pointed out that the commission years ago passed a resolution to the effect that the area along Terrace Ave. remain an open vista, potentially ruling out the two locations other than the north site. The board also discussed the possibility of needing to deal with parking alternatives as part of the process.

Director Clark also handed out the first draft of a fifty-year vision. There was some discussion, and the board was asked to take it home and review it. Director Clark stated her intention to contact each board member individually about the interpretive center and strategic plan.

13. New Business

Director Lock indicated that there is the possibility of a post-season railfan trip, and the Railfan Committee intends to pursue it.

President Tennant brought to the board's attention the "Northern Rio Grande National Heritage Area" bill introduced into the Senate of the United States as S. 63 on January 24, 2005, by Senators Jeff Bingaman and Pete Domenici of New Mexico, and introduced as HR. 732 in the House of Representatives of the United States on February 23, 2005, by Congressman To

M/S Tully/Lock to express the Friends' strong support for the "Northern Rio Grande National Heritage Area" bill. **Passed unanimously.**

14. Adjournment

The meeting adjourned at 1:55 p.m.

Respectfully submitted,

Curt Bianchi, Secretary