



# C&TS Dispatch

Vol. 7 No. 5

November 1994

## After 31 Years

# Tank Cars Cross Cascade Trestle!



*On June 11, 1994, the Railfan Photo Freight Train sponsored by the Friends of the Cumbres & Toltec Scenic Railroad, Inc., crossed Cascade Trestle westbound from Osier to Chama. K-37 class engine 497 was on the point, followed by the six historic tank cars that were acquired by the Friends, brought home to Chama from Alaska, and restored to their original appearance using Union Tank Car Company reporting marks. The June 11 charter train was the first time that the tank cars had been used on the narrow gauge line since 1963 and D&RGW days, when they carried crude oil from Chama to the refinery in Alamosa. Photograph by Bud Nadler.*

# C&T'S Dispatch

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1994-1995	1994-1996
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Glenden Casteel	Roger Breeding
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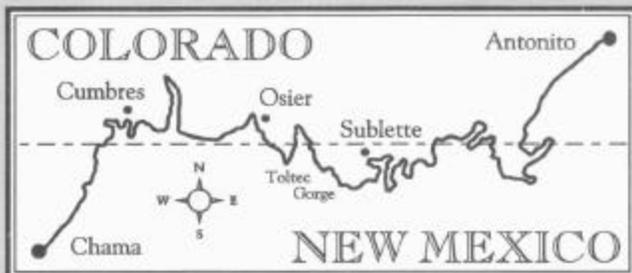
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The C&T'S Dispatch is published by the Friends of the Cumbres & Toltec Scenic Railroad, Inc., P.O. Box 222, Chama, NM 87520. The Friends of the Cumbres & Toltec Scenic Railroad, Inc., is a New Mexico nonprofit corporation.

The Friends is the official museum support group for the Cumbres & Toltec Scenic Railroad, a 64-mile-long operating railroad and museum of railroad history and technology between Antonito, Colorado, and Chama, New Mexico. The railroad is owned by Colorado and New Mexico and is operated by Kyle Railways, Inc. As the museum support group, the Friends is dedicated to the preservation and interpretation of the railroad. Volunteers from the Friends have been especially active in restoring and preserving equipment and structures along the line.

Family membership in the Friends is \$20.00 per year; outside the USA membership is \$30.00. All contributions are fully tax deductible and will be gratefully accepted. Please write to us in Chama for information about the Friends. The Cumbres & Toltec Scenic Railroad is both a National and a State Registered Historic Site.

## Cumbres & Toltec Scenic Railroad



Denver & Rio Grande Railway — 1880 to 1921  
Denver & Rio Grande Western Railroad — 1921 to 1970  
Cumbres & Toltec Scenic Railroad — 1970 to 1994

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## PRESIDENT'S COLUMN

# The Windy Point

This issue of the C&T'S Dispatch has been an opportunity for me to give a year-end report on the status and progress of the Friends. I am again pleased to report to you that our organization is very sound — we have added over 254 new members during 1994. With the renewal of our previous members, we have gone over 1,200 total members. I could not be more pleased with the progress and membership growth both from the standpoint of allowing more people to know about the Cumbres & Toltec, but also the financial assistance that our members give to our mission.

Over the years, our records and files for the Friends have grown tremendously. It is interesting that some of our original documents are becoming historic in nature. In order to better facilitate the use of these files and to keep track of our archives, we have undertaken an ambitious project to reorganize and categorize our filing system. As I was working on that project, I found a memorandum from one of the Railroad Commissioners in 1989 recommending the immediate dismantling of the remaining seven bays of the snowshed at Cumbres. His memorandum was correct in many ways because the snowshed was a potential liability and would take significant resources to stabilize and repair. Fortunately, the Friends mobilized and put our efforts towards the saving of that tremendously valuable artifact. This last summer our volunteers finished a four-year-long effort, which has completely restored those existing seven bays of the snowshed. Without the Friends and without the support given to our work by each one of you, the C&T'S property today would be a lot different than it is. The list of buildings and equipment that we have stabilized and repaired is truly awesome.

In addition to restoration and preservation of the property, the Friends has also continued to be actively involved in interpretation. This year, we have again distributed to visitors to the property approximately 10,000 copies of our Walking Tour brochure. I am most excited about our first venture into another area of interpretation — publication. Included in this issue is an announcement and order form for the publication of Joe Hereford's book, *Rotary Snowplows on the Cumbres & Toltec Scenic Railroad*. With over 160 photographs printed by the same printer who has done such a beautiful job on our Moonlight Train brochures, this book will be a valuable addition to your library as well as an opportunity for thousands of people to learn more about the historic, living museum which is the Cumbres & Toltec Scenic Railroad. Your financial support of the Friends has helped to provide the seed money for the publication of this work.

As we look forward to the coming holidays, I do hope that you will be able to thank God for the year just past and to look forward to the new year with a special hope and trust in God's faithfulness to each of us. Best wishes to each of you.

— BILL LOCK

## Correction

In the September 1994 issue, the article on page 3, "Documenting Our Work," should have noted that Terri Shaw was instrumental in developing the coding, naming, and storage system that documents the work of the volunteers during the summer work sessions. Also, in the same issue, the photograph at the top of the left-hand column on page 9, showing the lettering of boxcar 4444, was taken by Jim Gross.

## Friends at the Narrow Gauge Convention

The Friends of the Cumbres & Toltec Scenic Railroad were represented at the Fourteenth Narrow Gauge Convention held in Denver, Colorado, from August 31 through September 3 of this year. Attending were more than 1,400 persons from throughout the world with an interest in narrow gauge modeling and history. Almost \$500 of Friends' merchandise was sold during the four-day convention.

Helping at the Friends' booth were members Tom Abbott, Bob Akers, Bob Dunlap, Jamie March, Sam March, Rufus March,



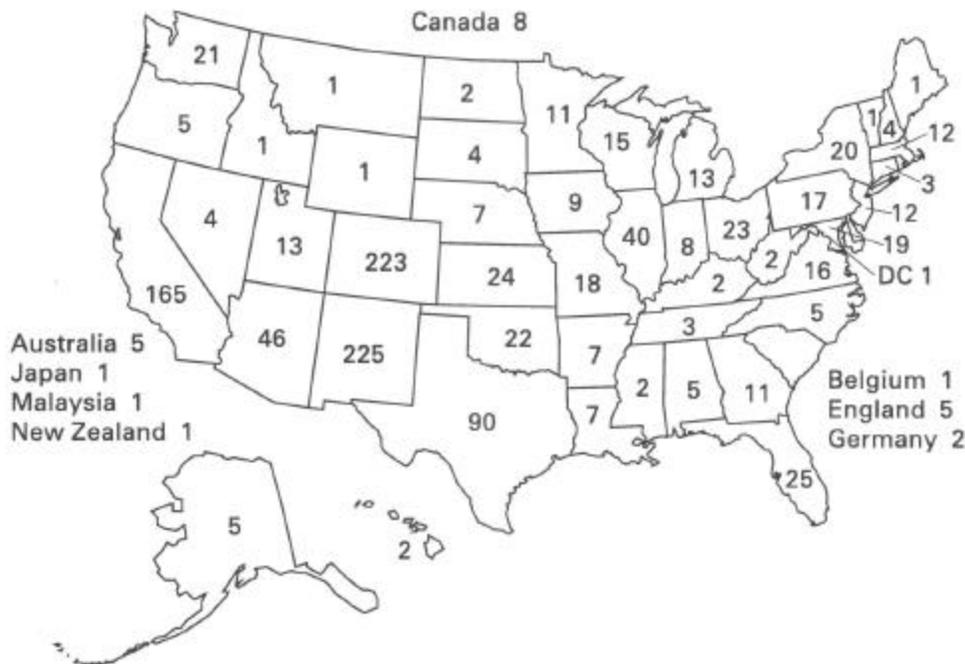
Next to the Friends' booth at the Narrow Gauge Convention, from left, Robert Richardson, former Director of the Colorado Railroad Museum, Jamie March, Rufus March, and Sam March.

Mike Schalk, and Jack Schuh. Videos of the work sessions and Friends' sponsored train runs were shown on a TV provided by Mike Schalk. Chris Mahony provided the tapes. Special thanks go to Carmen Knoob, Jim

Trowbridge, and C&TS engineer John Coker for transporting Friends' merchandise from the Railroad History Center in Chama to Denver, and to Terri Shaw for planning and coordination.

## Friends Membership

November 1994



# Your Contributions Help the Friends

by Dennis Sterosky

*Dennis Sterosky is a Certified Public Accountant with significant experience with non-profit organizations. He has been practicing for twenty-nine years and is a tax partner with the firm of Pulakos & Alongi, Ltd., in Albuquerque. Dennis has been a Friends member since 1991.*

Contributions to any properly established charity are allowed under provisions of the Internal Revenue Code. Charitable contributions made during the life of a taxpayer have certain tax advantages compared to contributions made after the taxpayer's death. Although charitable contributions can result in a decrease in the net worth of the donor, there are advantages, including:

- 1) There is a reduction in the income taxes.
- 2) Potential capital gains taxes are eliminated on gifts of appreciated property.
- 3) Reduced investment concerns and administrative hassles.
- 4) Potential reduced estate taxes on a resulting reduced estate.

Deductible contributions can be made in a number of ways. Some can be accomplished quickly and with little administrative hassle. Other contributions require more paperwork and planning.

Cash contributions are the simplest to complete. This naturally is accomplished by the gift of cash to a qualified charity. There is no question as to the value of the gift. The gift is deductible within the prescribed limitations, provided that the donor has adequate proof of payment of the gift. In most cases, a canceled check will be adequate. However, one-time gifts of \$250 or more now require a receipt from the charity as proof. A check is alone not adequate proof in these situations. The taxpayers must have the necessary receipts in their possession at the time the tax return is filed.

A cash gift to a public charity, such as the Friends, is deductible up to 50% of the respective taxpayer's adjusted gross income.

Another type of gift that is common with the Friends is the sweat equity put in on various projects. Although this is extremely important to the goals and success of the mission of the Friends, it does not provide any contribution deduction for tax purposes.

On the other hand, the out-of-pocket costs incurred by volunteers for qualified charitable organizations are deductible on the tax return with adequate proof or documentation. This would include mileage to Chama to participate in projects such as the work days. This can be very important because many members drive long distances and spend considerable time and effort

shop value. The taxpayer has the burden of proof in this situation so additional work on the front end will help to ensure the ultimate availabilities of this deduction.

This same approach can and should be considered for contributions of larger pieces of tangible property that are considered for gifts to the Friends. In the case of larger contributions, it is sound advice to get an appraisal by a qualified appraiser. Where the fair market value of the gift is greater than \$5,000, the need for a certified appraisal is mandatory.

All non-cash contribution deductions over \$500 require that a Form 8283 be completed and attached to the taxpayer's return. Once the individual non-cash contribution exceeds \$5,000, more detail information, including information of the appraisal must be provided on the Form 8283. Since the deductible contribution is based on fair market value, it is necessary to have the appraisal. The appraisal should be made by a person or firm which is professionally competent to appraise the type of property to be gifted. The appraiser should be independent of both the donor and the donee. The Friends should not participate in the appraisal nor should a friend or relative of the

donor. There would be no problem for the Friends to maintain a list of persons or firms that are independent and are qualified as appraisers. Any appraisal must be completed not earlier than sixty (60) days before the date of the contribution and not later than the due date for the return.

Another type of appreciated property that could be donated to the Friends or any qualified charity would be appreciated securities. This would provide a charitable contribution deduction based on the fair market value of the stock and not its cost. As a result, the deduction would be for the higher amount. The gain represented by the appreciation would not be taxable if the securities had been held for more than one year. A taxpayer generally makes a gift of appreciated property rather than the proceeds from its sale. The exam-

## Gift of Property vs. Gift of Sales Proceeds

	<u>Gift of Property</u>	<u>Sale of Property and Gift of Proceeds</u>
Taxable income before sale of property or charitable contribution (includes no capital gains or losses)	\$100,000	\$100,000
Contribution deduction arising from:		
Gift of property	(\$30,000)	—
Sale of property and gift of proceeds	—	(\$30,000)
Taxable portion of long-term capital gain arising from sale of property (net of \$12,000 basis in the property)	—	\$18,000
Taxable income	<u>\$70,000</u>	<u>\$88,000</u>
Income tax	<u>\$14,803</u>	<u>\$19,843</u>

which is essential to the success of the organization. The contribution is calculated utilizing the prescribed rate of twelve cents (12¢) per mile. Other out-of-pocket costs can also be deductible. These may be the additional costs for lodging and meals necessitated by participation on a work day. Long distance phone charges would also be deductible. Again, the taxpayers must have adequate documentation to support the deduction.

The cost of tools and small equipment donated to the charitable organization would generally be deductible to the extent of the fair market value of the gift. It is always necessary to determine the fair market value since it is the starting point for determining the contribution deduction. This value should generally be determined from an independent source. For smaller items, a receipt of purchase might be adequate or thrift

See *Your Contributions Help*, page 5

## BEFORE & AFTER

The snowshed at Cumbres after the first year of volunteer work (August 1990). New telephone pole buttresses had been installed on both sides to prevent the remaining structure from blowing over, and siding had been added to several bays to give it strength for the following winter.



The final touches added at the 1994 work session on the snowshed were to finish all the board and batten siding. Shown here is the application of linseed oil by pump sprayers to help preserve the new and existing wood. Wherever possible, existing timbers and siding were used. After four years of volunteer work, the remaining snowshed has not only been stabilized but restored to its original appearance thanks to volunteers and members of the Friends who supported this activity.

### Your Contributions Help

from page 4

ple of a married taxpayer shown in the chart on page 4 demonstrates why this procedure is generally preferred.

No appraisal is required for publicly traded securities; however, appropriate information from one's broker or the market on the date of the gift should be retained to support the claimed gift.

When an individual receives a gift in re-

turn for a charitable donation, the amount of that contribution must be reduced by the fair market value of the gift. In the professional terms this is called a "quid quo pro" contribution. Those charities that receive such contribution in excess of \$75 are required to inform the donor that the amount of the contribution that is deductible is limited to the excess over the value of the goods or services provided by the charity. They are also to provide the donor with "a good faith estimate" of the value of the goods or services

furnished the donor. This provision is not applicable to token goods given the donor.

Now is the time to consider your last-minute, year-end tax planning. Each individual's situation is different, and, for this reason, he or she should consult with his or her tax advisor. The Friends has remained viable through your efforts and kind contributions of time, talent, and funds. We hope you will continue in your generosity. However, before you act, please get competent advice.

## COMMISSION REPORT

by **Leo Schmitz** — Executive Director  
Cumbres & Toltec Scenic Railroad Commission

**SEPTEMBER 9, 1994, CHAMA, NEW MEXICO.** Joe Vigil, General Manager of the C&TS reported that there had been a 3.1 percent increase in the number of passengers through August compared to the same period in 1993. The Chama to Osier train has doubleheaded sixty times so far this season, including twenty-eight of thirty-one days in July. The operation has been running smoothly, and the owner/operator contractor is providing excellent service. The tie replacement program is proceeding well, with plans to install 4,000 ties in 1994.

Work has been completed on leveling the foundations of the Cumbres and Osier section houses; money for this project came from the Colorado Gaming Fund. Work is scheduled to begin on October 20 to replace 185 bridge ties on Cascade Trestle; money for this project comes from the Farmers Home Administration. Smith Lumber will provide the ties, and Mountain States Contracting will remove and replace the ties. The Commission has also received funding from Colorado and New Mexico to be added to the Commission's funds to rehabilitate the Chama water tank, and Blue Lake Builders' construction bid of \$119,708 was accepted, which will include the replacement of the redwood tank. The Commission has entered into a contract with Red Mountain Engineering to design the new restroom building and the modification and relocation of the restrooms in the existing Chama depot.

The Commission approved operating account appropriation requests to each state for \$10,000 and capital requests to each state for ADA compliance of \$46,450, wastewater treatment system of \$25,500, and Chama depot phase II of \$69,728.

It is the consensus of the Commission that the operator, Kyle Railways, Inc., begin a study of rehabilitating the track along the entire railroad. Lynn Cecil, president of Kyle Railways, stated that the railroad is operating on safe track, but he agreed with comments made at the meeting that there is a need for improving the roadbed and track. Such improvement would result in faster train speeds and shorter schedules.

Carmen Knoob invited the commissioners to visit the Friends Railroad History Center in Chama.

*Cumbres & Toltec Scenic Railroad Commission: Wayne Quinlan, Chair; Carl Turner, Vice Chair; Lewis Entz, Secretary; and Spencer Wilson, Treasurer. The next Commission meeting will be Friday, December 9, 1994, at 9:30 a.m. at the High Mesa Inn, 3347 Cerrillos Road, Santa Fe, New Mexico. The Commission meetings are open to the public.*



## BOARD HIGHLIGHTS

by **Art Nichols** — Editor

The Board of Directors met in Chama, New Mexico, on July 23 and 24, 1994. This report presents the major actions taken by the directors.

The following persons were elected as officers of the Corporation for 1994-1995: William Lock, president; Terri Shaw, vice president; Howard Bunte, secretary; and Robin Kumler, treasurer (Steven Schroeder was appointed assistant treasurer).

The executive committee consists of the four officers and a representative each from Colorado and New Mexico. President Lock appointed Ralph Flowers from Colorado and Glenden Casteel from New Mexico to the executive committee.

Appointed consulting directors were Frank Burton, William Kepner, Richard Mathews, Claude Morelli, Arthur Nichols, Leo Schmitz, Calvert Smith, John Rupley, and Joe Vigil.

William Lock was appointed the primary Friends' representative to the Triad Committee (the Triad consists of the C&TSRR Commission, Kyle Railways, and the Friends) and Ralph Flowers was appointed as the alternate representative.

### Committee Reports

**COMMUNITY RELATIONS** (Carmen Knoob and Richard Mathews, co-chairs). The Friends was involved in the railroad's opening day activities — Steamfest — in Antonito, and there have been many favorable comments about the Friends Interpretive Center [renamed the Friends Railroad History Center] in Chama.

**FUNDRAISING** (William Lock). Twenty-five bronze builder's plate replicas from engine 463 have been purchased for resale.

**INFORMATION** (Warren Ringer). The committee is working with the library, membership, and project committees on computer software appropriate for their work.

**INTERPRETATION** (Calvert Smith). Research continues on the Americans with Disabilities Act and its implications for the Friends, the Commission, and the operator, Kyle Railways.

**LIBRARY** (Noreen Breeding). The committee will be investigating short-term storage for archival materials, including the possibilities of a cooperative relationship with a library or museum. And the committee will also pursue either the purchase or donation of computer equipment to establish a filing system for donated archival materials.

**PUBLICATIONS** (Arthur Nichols). Several features and series will be added to the *C&TS Dispatch* in the coming year. The editors want to increase the number of persons contributing articles to the newsletter.

**MEMBERSHIP** (Howard Bunte). The data base that has been developed can provide many types of data as needed. For example, names and addresses of members from any local area for a gathering of the Friends can be extracted along with mailing labels of those members.

**PROJECTS** (Glenden Casteel). Craig Kumler reported on the work of the subcommittee planning the restoration of historic cars 053, 054, 065, 252, 292, and 452. The necessary documentation will be submitted to the State Historic Preservation Offices so that restoration plans for the historic cars can proceed. The "adopt-a-project" plan went very well for the 1994 work sessions, according to Glenden; eight projects were adopted. He also explained that there is a need for more training in historic preservation work done to the Sec-

See *Board Report*, page 7

## LETTERS TO THE FRIENDS

Readers are encouraged to write on any topic pertinent to the work of the Friends and the history, preservation, and interpretation of the Cumbres & Toltec Scenic Railroad. Send your letters to the editor at 1307 45th Street, Los Alamos, NM 87544. All letters will be acknowledged and some editing may be done to conserve space.

### CHAMA CHOO CHOO

I am enclosing a song that my neighbor, Reverend William Lang, composed. Bill Lang is a retired minister, a former musician, and an all around good person.

#### The Chama Choo Choo

*With apologies to Johnny Mercer, Tex Beneke, Glenn Miller, et al.*

Pardon me boy, is that the little Chama Choo Choo?

She's a buildin' up steam, hear that old whistle scream.

I can afford to board the little Chama Choo Choo,

I've got my fare, and just a trifle to spare.

She leaves the Antonito station along about ten

See that old smoke risin' as she pulls round the bend

Dinner time at Ozier, nothin' could be cozier

Than eatin' with your buddies in an outdoor exposure.

When you hear the whistle blowin' eight to the bar

Then you'll know that Chama station's not very far.

Shovel all the coal in, gotta keep her rollin'

Woo Woo Chama station there you are.

There's gonna be, some little busses at the station

Take you back to your car, it's really not very far.

So climb on aboard and you'll be happy that you came along

Just ride the Chama Choo Choo, and you'll be singin' this song.

*Bill Hess  
Antonito, CO*

### CRESCO TUNNEL

Dear George Swain,

I read your letter in the *C&TS Dispatch* [July 1994 issue] and thought I would give my opinion on the tunnel above Cresco.

I think it was a powder storage facility for the contractors blasting the right of way up to Windy Point; the T shape would suggest that. Powder and caps had to be stored separately, and in the 19th century it was important to keep dynamite, if that was what they were using, from freezing. When dynamite froze in those days, the nitroglycerine would separate out, leak from the casing, and form a very dangerous pool of pure nitro, which could be detonated by a careless jar. The regulations required powder to be stored above ground in a metal sheathed building (to protect from fire). Miners usually found it simpler and cheaper to just tun-

nel into the rock well below the frost line and store their powder there. You could check this by digging down into the debris at the end of the tunnels to try and discover wooden fragments of old powder boxes or kegs that black powder was shipped in.

If, on the other hand, it was a mineral prospect, there will be a claim notice filed in the county courthouse. To locate that you would have to know the date or name of the claim or search through years of records, but it would be sure to be there.

Normally near any large-scale tunneling or blasting project on those early lines there will be a "gopher hole" in the rock nearby where the powder was stored. It might be a good project to locate the powder storage holes for the Toltec and Mud Tunnels and for the cuts near Phantom Curve. Next time I'm down on the C&TS I'll take a trowel into your tunnel and see if I can find any evidence.

One more thing: a powder house tunnel always had a metal sheathed heavy wooden door with a hasp and padlock. There should be evidence if one dug down under that mound of debris at the mouth of the tunnel. Hinges, if nothing else.

There are probably a number of artifacts of construction and operation still to be found along that interesting right of way.

*Bill Laux  
Fauquier  
British Columbia  
Canada*

### Board Report, from page 6

retary of the Interior's standards. It is anticipated that the number and size of projects will increase.

**LONG-RANGE PLANNING** (Roger Breeding). Several issues were brought up for discussion, and there will be further consideration of these issues at the fall Board of Directors meeting in November: (1) Despite our best efforts in two, three-day work sessions each year, cars are deteriorating. We need work sessions in the spring, summer, and fall. (2) Support and direction for our work are needed in Chama and Antonito. (3) Involvement from a wider range of the membership is needed — we should encourage "adopt-a-project." (4) Many cars are falling behind in painting, lettering, and numbering; some car IDs are being lost. Should we consider abandoning some cars as not worthy of our preservation efforts? (5) Given the reported lack of enthusiasm among volunteers for working at the eastern end of the line in Antonito, should we revisit the idea of placing the Friends' car repair facility in Chama?

**NARROW GAUGE CONVENTION** (Sam March). The Friends is on

the waiting list for a table at the convention, which will be held in Denver at the end of August [the Friends did have a table at the convention, see page 3].

**ORGANIZATION** (Terri Shaw). The time for this committee's report was given to Carmen Knoob, who presented several issues concerning the Friends Railroad History Center in Chama. What is the scope of the center's "interpretive" function? How can the center most efficiently merchandise Friends' materials? How active should we be in seeking out historical materials for the center? How should we go about obtaining such materials? The directors discussed these issues at length.

**RAILFAN** (William Kepner). This year's Moonlight Train was a great success, as it has been in past years. The directors discussed guidelines for future railfan trips.

The next meeting of the Board of Directors will be in Albuquerque, New Mexico, November 11 and 12. The Spring issue of the *C&TS Dispatch* will present highlights from the meeting.

# 1995 SCHEDULE OF EVENTS

May 27, Saturday  
Opening Day

July 8, Saturday  
Seventh Annual Moonlight Train

July 26-28, Wednesday-Friday  
Volunteer Work Session "A"

July 28, Friday  
Annual Meeting and Program

July 29, Saturday  
Railfan Trip to Big Horn

July 31-August 2,  
Monday-Wednesday  
Volunteer Work Session "B"

October 15, Sunday  
Planned Closing Day



*On Saturday, September 24, 1994, engines 463, 488, 487, and twenty-two cars are shown leaving Chama for Osier. Over 1,000 passengers were carried on the Antonito and Chama trains that day. Photograph by Tom Cardin.*



**Friends of the Cumbres & Toltec  
Scenic Railroad, Inc.**  
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