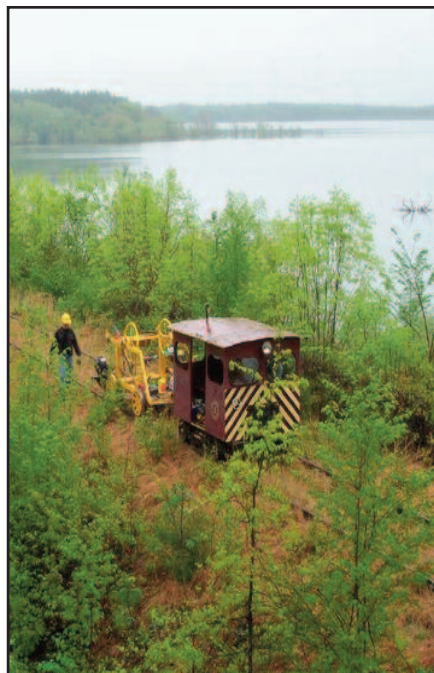
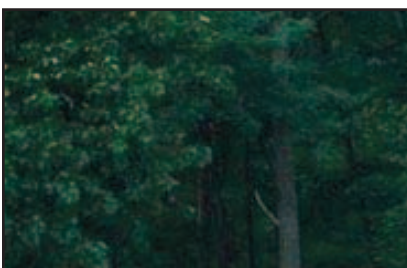


CATSKILL MOUNTAIN RAILROAD 2011 ANNUAL PROGRESS REPORT



- PHOENICIA
- MT. TREMPER
- COLD BROOK
- ASHOKAN
- KINGSTON

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BOARD OF DIRECTORS AND CORPORATE OFFICERS

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CATSKILL MOUNTAIN RAILROAD CO.

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The Catskill Mountain Railroad Company is an all-volunteer community-based organization chartered in 1982 to lease, restore, and operate 38 miles of Ulster County-owned railroad between Kingston and Highmount. ©2012 Catskill Mountain Railroad Co.





The Catskill Mountain Railroad is the only guaranteed access for this beautiful vista on New York City DEP property, located at MP 11.3 at Glenford Dike. This will be the first destination of our expanded scenic train operation originating from Kingston. Showcasing these gorgeous views of the Ashokan Reservoir from our trains would not only reduce the impact of auto traffic on Route 28, but would also invite more tourism to Kingston and the surrounding region. Photo by Ernest Hunt

FOREWORD

2011 was a year of both achievement and devastation for the Catskill Mountain Railroad (CMRR). The year started well, with great progress made towards achieving our long-term goals. Progress was abruptly interrupted on August 28, 2011 when Hurricane Irene struck.

Flooding as a result of Hurricane Irene damaged our operating section of the railroad in six different places. However, due to our moving equipment out of harm's way before the storm struck, damage was largely confined to track. The railroad resumed Scenic Train operations out of Mount Tremper on September 10, 2012, on a shortened 2-mile segment of undamaged track.

Despite these setbacks, expansion projects resumed at both ends of our operating section with the renovation of Bridge C9 in Kingston, and the building of a new switch and storage siding at MP 24.75 in Mt. Tremper. Evaluation and limited repair of the damaged sections continued throughout the year.

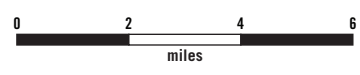
The year ended with strong October ridership on our Scenic Train at Mt. Tremper and our best December yet in Kingston.

DURR to Arkville and Roxbury

Highmount
Pine Hill
Shandaken
Big Indian

CATSKILL MOUNTAIN RAILROAD CO. LEASED AND OPERATED LINES

©2010 Otto M. Vondrak. Not an official map. Not all routes shown.



PHOENICIA
Mt. Tremper
Cold Brook

Bridge C30 - Boiceville

Butternut Cove
Ashokan
West Hurley



FUTURE EXPANSION TO ASHOKAN, PHOENICIA

Hurley Mountain Rd. (FUTURE STOP)

Hurley Mountain Rd.

Bridge C9 SEE INSET MAP

Washington Ave.
Cornell Street
KINGSTON

to Albany

CSX

to New Jersey

BRIDGE C-9
ESOPUS CREEK
197 TOLLWAY

Holiday Inn (FUTURE STOP)

Washington Ave.

Westbrook Lane

Washington Ave. to Bridge C9 segment reactivated in 2009

ALBANY AVE.
1-987

Boice's Dairy (FUTURE STOP)

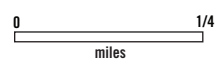
Cornell St.

to Albany

CSX

to New Jersey

KINGSTON SHUTTLE SERVICE PRESENT AND FUTURE EXPANSION





Prior to the arrival of Hurricane Irene, all operable railroad equipment on the west end was moved out of Phoenicia Yard and stored at Mt. Tremper. This helped safeguard the equipment from the resulting floods, and allowed limited operations to resume quickly following the disaster. Photo by Otto M. Vondrak

STATE OF THE RAILROAD IN 2011

Prior to Hurricane Irene, the CMRR continued to rebuild its infrastructure between Phoenicia and Cold Brook, replacing about 250 ties from Mt. Tremper to MP 25.8 and undertaking annual repairs at MP 23.3. A major washout at MP 24.53 was fully repaired and a culvert at MP 26.19 was replaced. The crossing west of Campground Curve was also fully rebuilt. Almost 275 bridge timbers were notched in preparation for the renovation of Bridge C9 in Kingston.

On August 28, 2011, Hurricane Irene struck. When the water receded, all our operating equipment was safe as it was moved to Mt. Tremper just before the flood. Areas of damage west of Mt. Tremper included scouring at MP 25.5 and 25.8, a complete washout of track and the embankment at Campground Curve, and scouring of the track from MP 27 through Phoenicia to MP 27.9, and huge washout from there to MP 28. East of Mt. Tremper, MP 23.3 worsened considerably, severe scouring occurred at MP 22.6, and three of the four spans of the Boiceville Trestle were washed away. West of Phoenicia, new washouts occurred at MP 29.1, 31.2, 31.7 to 32, 32.6 to 32.8, and 33.8. The track east of the Boiceville Bridge (C30) was unaffected except for lots of downed trees.

Continued...



*Volunteer crews continued re-decking Bridge C9 in Kingston through the end of 2011. Completing the repair and recertification of this span will allow us to further expand the train ride towards Ashokan Reservoir from Kingston.
Photo by Ernest Hunt*

On September 10, 2011, the CMRR resumed service from Mt. Tremper to MP 23.4 on a shortened ride with a discounted fare.

Despite the damage, the CMRR opted to continue the renovation of Bridge C9 in Kingston, starting timber replacement late in the year. A new switch was started at MP 24.75 for flood-safe equipment storage as well as switching on the shortened railroad.



*Preliminary work for a new storage siding at MP 24.75 was under way on November 19, 2011. Construction of this siding will increase storage capacity on the railroad, and allow us to park work equipment without blocking the main line.
Photo by Ernest Hunt*



Train service resumed in both Phoenicia and Kingston not long after the floodwaters of Hurricane Irene receded.

Photo by Ernest Hunt

SUCCESS AND RECOVERY

In 2011, the Catskill Mountain Railroad began the year with its best revenue year ever. Prior to Hurricane Irene, Phoenicia's ridership was trending 20% over 2010, and Kingston was 26% up from 2010.

But our losses in late August, September and October offset the earlier gains, with Phoenicia being down 34% for the year. Our revenue for the 2011 season amounted to \$96,238, a decrease of 26% from the \$130,218 of the previous year. It is estimated that 9,302 passengers rode the CMRR in 2011 (6684 Phoenicia, 2,618 Kingston), a decrease of 24% of the approximately 12,255 (10,211 Phoenicia, 2,044 Kingston) customers who rode the CMRR in 2010.

All the revenue we earned in 2011 was used for operating expenses of the railroad. Some of our largest expenses are insurance, which was 23% of revenues, fuel which was 16% of revenues and equipment repairs which were 14%.



With Phoenicia unreachable for an unknown amount of time, planned improvements to Mt. Tremper station were accelerated and completed in fall 2011. Fresh paint and a new roof, along with decorative plantings make for an attractive location to start a journey.

Photo by Ernest Hunt

PHOENICIA OPERATIONS

Esopus Scenic Train: The CMRR's Scenic Train began operations on May 28th and provided tourist passenger service initially on our 12-mile round-trip between Phoenicia and Boiceville, New York. Before Hurricane Irene, our riders enjoyed a 1.5-hour ride along the Esopus Creek with views of the Catskills, and a stop at the Phoenicia station, home of the Empire State Railway Museum. In September 2011, the ride was shortened to a 4 mile round trip from Mt. Tremper east with a discounted fare. In May, June and July, Scenic Train ridership was 2,657, over 20% more than the 2,203 for 2010. Ridership from August through the balance of the year was 4,027, about half the 2010 total of 8,008. Overall, ridership was 6,684 vs 10,211 in 2010, or down about 34%.

"Twilight Limited" Trains: On July 9th and August 20st, the CMRR ran twilight limited trains leaving Mt. Tremper about 8pm. The train featured refreshments and live music by Earl Pardini and the Slide Mountain String Band.

Fall Foliage Trains: A significant percentage of our ridership is realized during our fall season. Despite our shortened ride, people come to Mt. Tremper to take a trip on our Fall Foliage Specials to view the spectacular colors of the Catskills. October ridership was 2,817 in 2011, down from 4,783 in 2010, but still over the 2,238 in 2009, and 1,306 in 2006.



Our annual Christmas Train is a joint event held with the Empire State Railway Museum in Phoenicia, and is offered as a free event to those who live in the area.

Photo by Tom Healy

CMRR/ESRM Christmas Party: Our operations for the season were concluded by our annual Christmas Train ride. This has been a long-standing tradition and a joint endeavor between the CMRR and the Empire State Railway Museum to welcome the community in the spirit of the holiday season. Several trains were run on December 11th out of Mt. Tremper, and were offered free and open to the community as a gesture of good will at Christmas time. With Santa on every train, and candy canes for all, live musicians led Christmas carols and songs about the railroad for everyone aboard. At the ESRM station in Phoenicia, hot cider and treats were provided and enjoyed by everyone. Over 150 people rode the Christmas Train in 2011



Our Winter Holiday Trains increase in popularity year after year, bringing many visitors to downtown Kingston and encouraging repeat visits.

KINGSTON OPERATIONS

CMRR began its Kingston operations in June with free trains for Kingston's Timefest in early June. From July 2nd to Labor Day, our Kingston Shuttle ran on Saturdays in Kingston. This year, every train run in Kingston was a "theme train." The CMRR also participated in Kingston on Friday, July 8th for Kingston's Children's Day events.

Themed Trains: The "themed" trains included Stars and Stripes Special (July 2), Circus Train (July 9), Take Dad for a Train Ride (July 16), Teddy Bear Train Rides (July 23), Ulster County SPCA Day (July 30), Lollipop Express (Aug. 6), Teddy Bear Train Rides (Aug. 13), Take Mom for a Train Ride (Aug. 20), Baseball Day (Aug. 27), and our popular Labor Day Trains (Sept. 3).

Halloween Trains: On October 22 and 23, as well as 29 and 30, the CMRR ran its Halloween train in Kingston, with a harvest and Halloween theme. These trains are popular with families for providing a "not too scary" Halloween activity.

Winter Holiday Trains: The Holiday Train once again proved very popular, with 1,243 carried in December (plus an additional 435 in January) in 2011/2012, 1,038 passengers carried in 2010, 952 in 2009 and 884 in 2008.

Ridership in Kingston climbed to 2,618 in 2011, compared to 2,044 in 2010 (an increase of 28%) and 1546 in 2009.



IN CONCLUSION

In conclusion, the 2011 operating season started out being our best so far, with a large increase in revenues and passengers until Hurricane Irene hit. Our crews worked hard to get the railroad up and running on September 10, 2011 after the devastation from Hurricane Irene.

We estimate that over 1,430 hours of volunteer labor were expended in the operations of our trains. Our engineers, conductors, brakemen, and car attendants did a great job not only running our trains, but also offering the tourist public our hospitality, showcasing the natural beauty of the Catskills, and the history of the Ulster & Delaware Railroad.



OUR PASSENGERS

Our ticket agents have many stories of our passengers on the Catskill Mountain Railroad. Volunteer Ticket Agent George Bain recounts one of those stories below:

“While working on the Mt. Tremper Christmas Train, one of our passengers grabbed my hand as I was passing by her. She thanked me and the entire railroad for persevering and continuing operations after the devastation of Hurricane Irene. She told me that amidst all of the confusion and uncertainty in the days following the storm, it was very comforting to hear the whistle of our trains, letting everyone know that things would eventually return to normal.”

Passengers board the Esopus Scenic Train at Phoenicia station, also home to the Empire State Railway Museum. Photo by Otto M. Vondrak



In November 2011, volunteers were clearing trees to prepare for the installation of a new switch and siding near Andrews Lane. The new siding was designed to allow greater flexibility in train operations and increase storage capacity.

Photo by Ernest Hunt

UPGRADES AND EXPANSIONS TO ULSTER COUNTY RAILROAD PROPERTIES

In calendar year 2011, over 3,600 hours of volunteer labor was expended to improve and upgrade the 38.6-mile railroad property owned by Ulster County and leased by the CMRR. Of these 3,600 hours, over 900 were used to operate heavy machinery and equipment in work to restore the line.

Since late 2006 we have fully rehabilitated 1.8 miles of track in Kingston, and another .6 miles in Cold Brook, totaling 2.4 miles. We have also added another .8 miles of track from Cold Brook to the Boiceville Trestle for work train service, increasing our operating track limits. This represents a 60% increase in train-operable track since 2006, from 5.4 miles to 8.6 miles. People from all walks of life (some from hundreds of miles away) have come to help restore rail service in the Catskills. Despite the setbacks of Hurricane Irene, where 4 miles of track were taken out of service due to the storm, our work to expand the railroad continued in 2011. In addition to normal upgrades and maintenance, work was commenced on two major projects by year-end. First, preparing replacement timbers for bridge C9 continued through the year, with the first timbers being installed by year's end. Second, a new switch and siding was begun at MP 24.75 for equipment storage.



Our big winter project was notching new timbers for Bridge C9. About 300 are needed to complete the repair. Earl Pardini is using a chainsaw to notch these timbers on February 19.

Photo by Ernest Hunt

January, February, and March 2011

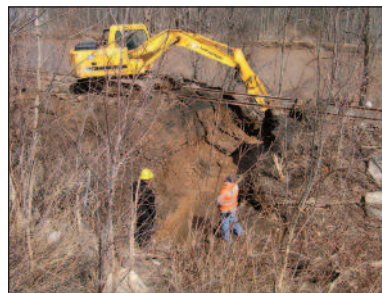
Our west end crew worked on two principal projects in the first quarter: repair of a washout at MP 24.53 and the replacement of a large culvert at MP 26.19. The culvert project was completed in March.



Four completed bridge timbers are in the foreground on February 19. The work was performed at our Cornell Street Yard facility.

Photo by Ernest Hunt

On the east end of the railroad, the principal project was notching bridge timbers for the C9 bridge timber replacement project. 138 timbers were notched and readied for installation in the first quarter.



On March 19, volunteers were working on a culvert repair at MP 26.19. The railroad replaced a collapsed box culvert with a new, larger pipe.

Photo by Tom Healy

April, May, June 2011

Our crews replaced 250 ties on the mainline west of Mt. Tremper in April and May.

Additionally a private crossing at MP 26.6 was completely replaced – all ties and new rail were installed.

Crews continued on the repair of a washout at MP 24.53 and completed this project in mid-May. Finish work was done on the culvert replacement at MP 26.19:

Tamping and leveling was done on Campground Curve:.

Again, on the east end of the railroad, the principal project was notching bridge timbers for the C9 bridge timber replacement project. Another 100 timbers were notched and readied for installation.

Also in the spring, our brush crews worked at many points on the line widening the ROW so that trees do not hit the train in regular service, and so that we can still access all of our Out of Service track for basic maintenance.



On April 16, volunteers were spiking ties at MP 25.6, part of our planned routine maintenance of the line.

Photo by Ernest Hunt



The CMRR track crew tamped and leveled the track at Campground Curve at MP 26.5 on May 7.

Photo by Dan Howard



The sickle bar cutting crew ran from Shokan to the Boiceville Bridge (C30) on May 7, cutting vegetation that we had missed last year. Pictured are Bill Brosnan, George Cook and Paul Sternitzke. The crew has just turned the machine and is readying it for its return to Shokan to cut vegetation along the south rail.

Photo by Ernest Hunt



On May 14, volunteers rebuilt the private crossing at Sleepy Hollow Campground.

Photo by Dan Howard



Volunteers were out cutting back vegetation at MP 5.65 on June 4.

Photo by W.G. Cook

July 2011

In the summer on the west end, the major project was restoring the track at MP 23.3.

Other work performed in the summer included mechanical mowing and cutting of the right-of-way from MP 6 just west of Kingston to the Boiceville Trestle at MP 21.3. Vegetation control is important to keeping the right of way in good condition and preparing for future restoration.

Work continued on bridge C9, with the removal of the guardrails in July.

In July, our east end crews built a concrete sidewalk crossing on the east end of the Washington Avenue railroad crossing for pedestrians, similar to the one at Fair Street.



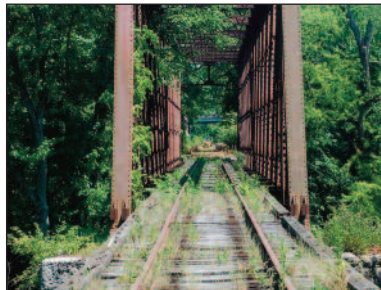
On July 31, we used our hi-rail Gradall to spreading stone at MP 23.3.

Photo by Ernest Hunt



On July 9, volunteer brush crews were out cutting trees over 1 inch in diameter in preparation for running the sickle bar cutter out beyond the rails to improve clearances and reduce encroachment.

Photo by Ernest Hunt



Work began on the rehabilitation of Bridge C9 with the removal of the guardrails (between the running rails).

Photo by David Tannenbaum



Our volunteer track crew repaired and replaced a stretch of sidewalk at Washington Avenue in Kingston on July 17.

Photo by Ernest Hunt

August and September 2011

At the end of August, Hurricane Irene hit. Our principal work for the rest of the quarter was picking up the trees and debris from the flood in Phoenicia.

Our brush crews spent lots of time clearing clusters of fallen trees off the out-of-service track from Cold Brook to just west of Kingston:



The yard and tracks were flooded, and the entire area suffered from scouring when the Esopus rose and chose the railbed as the path of least resistance. Photographed on August 29.

Photo by Ernest Hunt



A trailer from the neighboring property washed up into our backyard.

Photo by Ernest Hunt



CMRR President Earl Pardini removes debris from the equipment siding in Phoenicia with a small backhoe on September 3.

Photo by Ernest Hunt



The brush crew removed trees downed by Hurricane Irene seen here at MP 14.4. This was typical of the damage we encountered in this section of the line on September 17.

Photo by Ernest Hunt



The brush crew removed many trees downed by Hurricane Irene, seen here at MP 14.2.

Photo by Ernest Hunt

October, November, and December 2011

In the final quarter of the year, while waiting on FEMA funding to repair damage from Hurricane Irene, the railroad embarked on two major projects.

First, a new switch location at MP 24.75, east of Andrew's Lane, was determined for flood-safe storage of equipment and allowing better movement of our work train on the main line during the operating season. Brush clearing started in October, and the first new switch timbers were laid down before year-end.

The second project was the beginning of the redecking of Bridge C9. By year-end, the first dozen new timbers were installed and rails reinstalled onto the first section of the bridge.



*The C9 Bridge Crew at work, putting back rail on the bridge over the Esopus on November 13.
Photo by Ray Farrell*



*The first seven ties were installed at MP 24.75 for the new storage siding at Longyear Switch on December 31.
Photo by Ernest Hunt*



*The first of new timbers were placed on Bridge C9 by the end of the year.
Photo by Ernest Hunt*



*Volunteer Bill Kaba painting the Interior of CMRR 701. Now that coach 702 is in service, we are going back to get 701 in tip top shape.
Photo by Al Howes*

EQUIPMENT RESTORATION

The main equipment restoration project in 2011 was the renovation of passenger car 701 after the addition to service of passenger car 702 in 2010. The 701 was completely repainted except for the floor and its window mechanisms repaired. CMRR passenger flats 271 and 272 had repairs made during the summer.

Mt Tremper station was completely repainted and reconditioned, and its new roof fully installed.





Bridhe C9 in Kingston with the first new timbers in place.

Photo by Ernest Hunt

OBSTACLES

Due to Hurricane Irene, our obstacle list has grown rather than narrowed in 2011. The following is our list as of year-end 2011:

Bridge C9 - Kingston

We completed trackwork to Bridge C9 at Milepost 5 in November 2009, and extended our passenger service in Kingston to this point in December 2009. The CMRR had the bridge fully inspected in 2010, and a plan has been devised to fully renovate the bridge for service. The main repair work is replacement of the wood decking, with other work being relatively minor. The CMRR has started the process by acquiring all the bridge timbers in 2010 and beginning to prepare them for installation in 2011. Replacement of the timbers on the bridge began late in 2011. Bridge C9 is our gateway out of Kingston up to the scenic Hurley Flats area and ultimately to the Ashokan Reservoir.

Butternut Cove

Although not as extensive a repair as the two bridges over the Esopus Creek, the concrete culvert at Butternut Cove (MP 18.57) needs to have the wing wall replaced. The washed out roadbed will have to be replaced and tracks repaired. Currently, only our light maintenance equipment can traverse this partially washed-out area. This is another major impediment to returning through rail service from Kingston to Phoenicia.

CMRR volunteers stabilize the track above Butternut Cover so that our light maintenance equipment can operate through this area to help with restoration and repair of this significant drainage culvert along the railroad.

Photo by Ernest Hunt



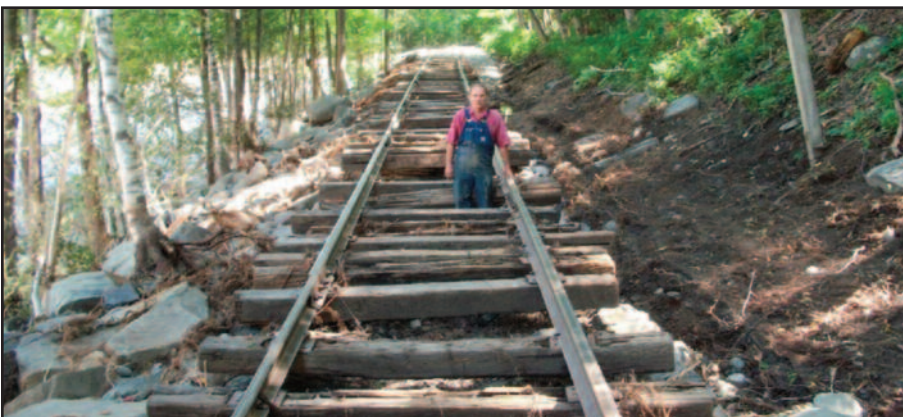


Bridge C30 - Boiceville

On May 17, 2008, the Catskill Mountain Railroad ran its work train to the Boiceville Bridge, Milepost 21.3, after some minor repairs to the tracks east of Cold Brook Station. With the tracks now restored up to the Boiceville Bridge, this crossing presented the last major obstacle for the CMRR in lengthening its ride and accessing the spectacular scenic views of the Ashokan Reservoir. The bridge was completely destroyed by Hurricane Irene in 2011, but it is hoped that funding will be found for its replacement.

Scouring at MP 22.6

The right-of-way was heavily scoured from about MP 22.6 to MP 22.7. Nearly all ballast was washed away, including some ties, subgrade, and protective rip-wrap. This section must be repaired before we can return to Cold Brook Station.





Collapse at MP 23.3

Collapse of the right-of-way at MP 23.3 also hampers our return to Cold Brook Station. This section of track was repaired by a contractor in the 2004 expansion towards Cold Brook, but has required annual repair ever since. Hurricane Irene completely removed the protective rip-rap for this area, which has been steadily falling into the creek ever since the storm.

Scouring at MP 25.5 and 25.8

We are unable to run west of Mt. Tremper because of scoured track at MP 25.5 and 25.8. At MP 25.8, heavy rip-rap is needed to keep the track from falling once again into the creek. Until 25.8 repaired, we will not be able to head west towards Phoenicia.





Campground Curve

The most visible casualty of Hurricane Irene was the track at Campground Curve, several hundred feet of which washed into the Esopus. In order to protect Route 28, NYSDOT repaired the ROW in October, 2012. We still await funding to replace track materials washed away by the flood in order to restore this section of the line.

Phoenicia Scouring – MP 27 to 27.9.

All throughout the Phoenicia yard, the right-of-way was heavily scoured by Hurricane Irene flooding, and in many cases ties and sub-grade were also washed away. The tracks there await restoration so we can return to Phoenicia.





MP 28 Washout

Although not directly part of our operations, the right-of-way from MP 27.9 to 28, which was completely washed out by Hurricane Irene, needs replacement in order to protect Bridge Street and Phoenicia Yard from future flooding.

West of Phoenicia

Although not currently part of our operating section, Hurricane Irene washed out track at MP 29.1, 31.2, 31.3, 31.7 to 32, 32.7 to 33, and 33.8. The bridge at Big Indian, MP 36.7, also nearly washed out. These obstacles, plus the MP 28.8 bridge washed out in 1987, will someday need to be repaired to restore train service west of Phoenicia.





LEASE RENEWAL

The CMRR's lease with Ulster County expires on May 31, 2016. The most difficult obstacle for us in obtaining funding to repair the above obstacles is the short term of our lease. We are actively working with Ulster County to extend our lease far enough in the future so that we can apply for state and federal funding, through which many funding programs exist, to repair the obstacles listed above. **Many of these programs do not require matching funds from the County.**

The Esopus Scenic Train approaches Phoenicia.

GIVING BACK TO THE COMMUNITY

In July, the CMRR participated in Kingston's annual Children's Day parade, and offered rides to the public after the parade was over.

In December, the CMRR gave free rides to the public in Mt. Tremper for its annual Santa Train last December 11. The CMRR donated half its daily proceeds for a day in December to the Children and Adult Services Division of the Ulster County Department of Social Services. See Exhibit C for details.

EDUCATION PROGRAMS

Catskill Mountain Railroad's Education Committee has written and developed two programs which we make available to school children.

- 1) "Safety First", which explains to Kindergarten and Pre-First, the importance of safe, appropriate behavior to be observed around trains and railroad tracks.
- 2) Our fourth grade lesson addresses transportation and New York State history.

In 2011, the CMRR hosted:

June 8 – Woodstock Day School

June 16 – Mill Road School of Red Hook's Pre-First Classes

June 21 – Phoenicia School's fourth grade children

December – Funshine Nursery School of Rheinbeck. This is their fifth annual children's Christmas party celebrated with us..



VOLUNTEERS

Though a privately held corporation, the CMRR has no paid employees and is entirely dependent on its volunteers for operating trains and all other work on the line. The volunteer base is very “hands on” with volunteers actively working to help the railroad with whichever skills they are possessed of and whatever tasks they are interested in. Nevertheless, safety is of primary importance to the railroad, and all volunteers are taught to make it their primary concern as well.

The railroad requires all new volunteers to go through a “provisional” status until they reach a minimum of 40 hours of work towards board-sanctioned projects. Upon reaching 40 or more hours, a volunteer must be approved by the Board of Directors before becoming a full Volunteer. All full volunteers are eligible to become project foreman, and also to become CMRR stockholders.

Catskill Mountain Railroad volunteers 2010 at our annual meeting (not all shown).

Photo by Thom Johnson

CMRR volunteers who enter train service are subject to the same types of rules and safety regulations as other railroads. Qualification classes are held every winter and our volunteer employees are tested on both written rules and operating practices appropriate for their responsibilities.

Any member of the public over 16 may become a volunteer with the railroad. Positions include:

- Train Crew (Engineer, Conductor, Brakeman, Car Attendant)
- Dispatcher, Ticket Agent and Station Maintainer
- Track Repair and Restoration Crew Member
- Equipment Repair Restoration Crew Member
- Painting Crew Member
- Brush Cutting Crew Member
- Marketing, Sales and Publicity

Whatever your capabilities there is a role for you at the CMRR. You don't need to have railroad experience, but you will learn fast. The training you receive can help you at your existing job, and potentially qualify you for working on a non-volunteer railroad.

For those who want a break from their regular profession, volunteering at the CMRR is a healthy way to get exercise and have a sense of accomplishment. The ultimate reward comes from the "thank yous" we get from our riders who come from all over the United States.



2012 PROJECT GOALS CORPORATE AND OPERATING

The Catskill Mountain Railroad's Board of Directors have approved the following project goals for 2012:

Strategic Goals

- a) Restore service from Phoenicia to Cold Brook
- b) Increase passenger train, charter and group tour ridership and revenue by 20%
- c) Extend our Lease with Ulster County
- d) Increase our volunteer base

Continued...

The CMRR's Halloween Harvest Train has proven to be very popular with Kingston families.

Photo by Ernest Hunt

2012 PROJECT GOALS RIGHT OF WAY AND EQUIPMENT

Capital and Maintenance Projects

1) Track Projects

- a) Phoenicia to Cold Brook – Restore track damaged by Hurricane Irene
- b) Cornell Street to Bridge C9 – Annual Rehabilitation and Maintenance
- c) Bridge C9 to Route 209 – Restore to Class 1

2) Passenger Capacity

- a) Complete 702 “punchlist.”
- b) Move stored coaches to Cornell Street

3) Facilities and Infrastructure

- a) Complete 2nd Station in Kingston at Holiday Inn
- b) Complete repairs to Bridge C9.

APPENDIX A

This report represents the Catskill Mountain Railroad's 2011 Man-hours Contribution to Ulster County. A man-hour is the amount of work performed by an average worker in one hour, not accounting for breaks or rest.

2011 Man-hours Contribution to Ulster County

<u>Ulster County Hours</u>	<u>Milepost</u>	<u>Total 2011</u>	<u>Jan-Mar.</u>	<u>Apr.-June</u>	<u>July-Sept.</u>	<u>Oct.-Dec.</u>	<u>Jan-May</u>	<u>June-Dec.</u>	<u>Total 2011</u>
<u>Volunteer Labor</u>									
<u>Phoenicia Track Crew</u>									
Track Repair	27.9 to 21.3	1,232.50	244.50	873.00	60.00	55.00	1,117.50	115.00	1,232.50
23.3 Repair	23.3	225.00	0.00	40.00	185.00	0.00	0.00	225.00	225.00
Switch Construction		199.00	0.00	0.00	12.00	187.00	0.00	199.00	199.00
Hurricane Irene Cleanup		<u>379.50</u>	<u>0.00</u>	<u>0.00</u>	<u>330.00</u>	<u>49.50</u>	<u>0.00</u>	<u>379.50</u>	<u>379.50</u>
Total Phoenicia Track Crew		2,036.00	244.50	913.00	587.00	291.50	1,117.50	918.50	2,036.00
<u>Brush Cutting Crew</u>									
West End	28.8 to 41.4	36.00	0.00	0.00	36.00	0.00	0.00	36.00	36.00
Phoenicia	28.8 to 26	42.00	42.00	0.00	0.00	0.00	42.00	0.00	42.00
Mt. Tremper	26 to 24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cold Brook	24 to 21.3	12.00	0.00	0.00	12.00	0.00	0.00	12.00	12.00
Reservoir	21.3 to 16.3	44.00	0.00	28.00	16.00	0.00	28.00	16.00	44.00
Ashokan	16.3 to 16.2	98.00	0.00	98.00	0.00	0.00	98.00	0.00	98.00
W. Hurley	16.2 to 5.95	172.00	0.00	56.00	91.00	25.00	56.00	116.00	172.00
Hurley MR	5.95 to 5.53	28.00	0.00	28.00	0.00	0.00	0.00	28.00	28.00
Route 209	5.53 to 5.42	24.00	0.00	24.00	0.00	0.00	24.00	0.00	24.00
Kingston	5.42 to 3.2	<u>77.00</u>	<u>0.00</u>	<u>17.00</u>	<u>60.00</u>	<u>0.00</u>	<u>0.00</u>	<u>77.00</u>	<u>77.00</u>
Total Brush Crew		533.00	42.00	251.00	215.00	25.00	248.00	285.00	533.00
Shokan Siding/Track Repair		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Kingston Crew</u>									
Track Repair		159.00	0.00	0.00	53.00	106.00	0.00	159.00	159.00
209 Extension		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bridge C9		<u>900.00</u>	<u>275.00</u>	<u>313.00</u>	<u>0.00</u>	<u>312.00</u>	<u>463.00</u>	<u>437.00</u>	<u>900.00</u>
Total Kingston Track Crew		1,059.00	275.00	313.00	53.00	418.00	463.00	596.00	1,059.00
Total Volunteer Labor		3,628.00	561.50	1,477.00	855.00	734.50	1,828.50	1,799.50	3,628.00
<u>Machine Hours</u>									
Backhoe		262.00	31.00	33.00	127.00	71.00	44.00	218.00	262.00
Mower/Tractor/GSX/Sick. Bar		41.00	0.00	22.00	19.00	0.00	15.00	26.00	41.00
Work Train		78.00	20.00	29.00	0.00	29.00	41.00	37.00	78.00
MOW Equipment		367.00	15.00	236.00	77.00	39.00	243.00	124.00	367.00
Track Cars		84.00	0.00	50.00	29.00	5.00	36.00	48.00	84.00
Kalamazoo		62.00	0.00	37.00	20.00	5.00	30.00	32.00	62.00
Other		<u>12.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>	<u>8.00</u>	<u>0.00</u>	<u>12.00</u>	<u>12.00</u>
Total Machine Hours		906.00	66.00	407.00	276.00	157.00	409.00	497.00	906.00

APPENDIX B

A sample of our redesigned 2011 brochure, increased to four panels to better highlight our expanded services and event offerings.

See the Historic City of Kingston!
CATSKILL MOUNTAIN RAILROAD
A unique view of historic Kingston!
 The Ulster & Delaware Railroad started construction in 1866 from the Hudson River at Kingston Point. By 1900, the line was complete through to Oneonta, providing a vital link for freight and passengers through the Catskills. Acquired by the New York Central Railroad in 1932, the last passenger train ran in 1954. In later years, Penn Central offered freight service, but after decades of declining revenues, the last train rode on the old U&D tracks in 1976. Ulster County purchased the railroad in 1979 to preserve the corridor for future rail use. In 1982, the Catskill Mountain Railroad was chartered to run the passenger trains as well as freight service. The tourist train you're riding today is just one part of a new scenic train to re-open the length of the railroad from long-term plan to re-open the length of the railroad from Kingston to Phoenicia and beyond. In 2008, we extended our scenic ride to Cold Brook and reintroduced service to the historic city of Kingston. Our volunteers are working hard to expand our ride year after year. Enjoy a fun train ride in our rebuilt cabooses or enjoy the fresh air of our open flatcar. Your support helps make it all possible!

West Shore River Division Time Table
 New York
 Haverstraw
 West Point
 Cornwall
 Newburgh
 Kingston
 Saugerties
 Catskill
 Albany
 Phoenicia
 Poughkeepsie
 and Intermediate Stations

KINGSTON CITY SHUTTLE
2011 TRAIN SCHEDULE
 DEPARTURES All trains round trip to Westbrook Lane
 Kingston (Westbrook Lane) 1:00PM, 2:00PM, 3:00PM, 4:00PM

Enjoy a fun 45-minute round trip through the historic city of Kingston. All trains depart from Westbrook Lane, minutes from the I-87 Thruway. Seating is first come, first served.

JULY 2 THRU SEPTEMBER 3
TRAINS OPERATE SATURDAYS ONLY
 Visit our website for full event details!
 July 2 - Stars and Stripes Special
 July 9 - Catskill Mountain "Circus Train"
 July 16 - Take Dad for a Train Ride
 July 23 - Teddy Bear Train Rides
 July 30 - Ulster County SPCA Day
 August 6 - Lollipop Express
 August 13 - Teddy Bear Train Rides
 August 20 - Take Mom for a Train Ride
 August 27 - Baseball Day
 September 3 - Labor Day Trains

OCT. 22-23 AND OCT. 29-30
Fun and Friendly Halloween Trains!
TRAINS OPERATE SATURDAYS AND SUNDAYS
 Our train will be fully decorated to put you into the Halloween spirit! Our train crew will be in full costume, so loosen up! Our train will be fully decorated to put you into the Halloween spirit! Our train crew will be in full costume, so loosen up! Our train will be fully decorated to put you into the Halloween spirit! Our train crew will be in full costume, so loosen up!

DEC. 3, 2011 THRU JAN. 2, 2012
Winter Holiday Trains
TRAINS OPERATE SATURDAYS AND SUNDAYS
 Get caught up in the magic of the season and enjoy our decorated train as we make our way through the historic city of Kingston. Warm up next to our cabooses' wood stove, or enjoy the festive atmosphere of our open-air flatcar. Please note there is no train service December 24, 25 or 31.

KINGSTON TRAIN FARES
 Adult — \$6.00 Children (ages 2-11) — \$4.00
 Children under 2 ride free with paid adult fare

HOW TO FIND US

EASY TO FIND FROM THE THRUWAY!
 Take the New York State Thruway (I-87) to Kingston, Exit 19. For Kingston City Shuttle trains, take I-87 to Exit 19. For Kingston City Shuttle trains, take I-87 to Exit 19. For Kingston City Shuttle trains, take I-87 to Exit 19. For Kingston City Shuttle trains, take I-87 to Exit 19.

ALL ABOARD!
 Ride the Scenic Esopus Creek Route
CATSKILL MOUNTAIN RAILROAD
 P.O. BOX 1415 • KINGSTON, NY 12401
(845) 688-7400
 Or email us at info@catskilltrainroad.com
 Don't miss our Fall Foliage Trains throughout October!

SCENIC TRAIN RIDES

CATSKILL MOUNTAIN RAILROAD

YEAR-ROUND FAMILY FUN!
 Fun and exciting round-trip excursions through the heart of the Catskills along the scenic Esopus Creek between...

- PHOENICIA •
- MOUNT TREMPER •
- COLD BROOK •
- KINGSTON •

Introducing special event service through the historic Hudson Valley city of...

Scenic train rides along the Esopus!

Board our train at Mt. Pleasant or Phoenicia and step back to a time when train travel was the only practical way to access the Catskills. Relax in our 1920s coaches or enjoy fresh air and wide open views from our open gondola car. Listen for the engine's whistle and be on the lookout for wildlife. See the scenic Esopus Creek and the Catskills in a way you just can't appreciate from your car. You'll enjoy the same scenic beauty rail travelers have been enjoying since the 1860s. Visit the Empire State Railway Museum housed in the Phoenicia station to learn more about this region's history! Visit our gift shop, where information about nearby exciting attractions and accommodations is available! **All aboard!**

(845) 688-7400
CATSKILLTRAINROAD.COM

ESOPUS SCENIC TRAINS
2011 TRAIN SCHEDULE

MAY 28 THRU JUNE 19
 DEPARTS Saturdays, Sundays, and May 30 (Memorial Day)

Phoenicia 11:30AM, 1:00PM
 Mt. Tremper 11:45AM, 12:25PM, 1:15PM

JUNE 25 THRU SEPTEMBER 5
 DEPARTS Fridays, July 1 through Sept. 2

Phoenicia 1:00PM, 2:30PM
 Mt. Tremper 1:15PM, 1:55PM, 2:45PM

DEPARTS Saturdays and Sundays, including July 4 and Sept. 5 (Labor Day)

Phoenicia 11:30AM, 1:00PM, 2:30PM
 Mt. Tremper 11:45AM, 12:25PM, 1:15PM, 1:55PM, 2:45PM

SEPT. 10 THRU SEPT. 25
 DEPARTS Saturdays and Sundays

Phoenicia 11:30AM, 1:00PM, 2:30PM
 Mt. Tremper 11:45AM, 12:25PM, 1:15PM, 1:55PM, 2:45PM

2011 FALL FOLIAGE TRAINS
SEPT. 29 THRU OCT. 30
 DEPARTS Thursdays, Fridays, and October 11-12

Phoenicia 11:30AM, 1:00PM, 2:30PM
 Mt. Tremper 11:45AM, 12:25PM, 1:15PM, 1:55PM, 2:45PM

DEPARTS Saturdays, Sundays, and October 10 (Columbus Day)

Phoenicia 10:00AM, 11:30AM, 1:00PM, 2:30PM
 Mt. Tremper 10:15AM, 10:55AM, 11:45AM, 12:25PM, 1:15PM, 1:55PM, 2:45PM

SCENIC TRAIN/FALL FOLIAGE FARES
 Adult — \$14.00 Children (ages 4-11) — \$8.00
 Children under 4 ride free with paid adult fare

★ TWILIGHT LIMITED ★
JULY 9 AND AUGUST 20

Back for 2011! Join us for the Twilight Limited! Our special train departs Mt. Tremper at 8:00pm. Upon arrival at Phoenicia, you will enjoy light refreshments and live musical entertainment by Earl Pardini and the Slide Mountain String Band. Our train will then bring you out on the line to view the beautifully clear night sky before returning to Mt. Tremper by 10:00pm.

TWILIGHT LIMITED FARE
 Adult — \$16.00 Children Under 12 — \$10.00
 Children under 2 ride free with paid adult fare

The restored Phoenicia Station is home to the Empire State Railway Museum. PHOTO BY DANIEL CASE
 No ride on the Catskill Mountain Railroad is complete without a visit! Separate admission fee applies. The museum is open on weekends and holidays from Memorial Day through Columbus Day from 11:00am to 4:00pm. Please visit esrm.com or call (845) 688-7501.

GROUPS AND CHARTERS

Everyone loves a train ride! Charter the train for your next birthday party, family reunion, senior group, Scout troop, or other special event. Our friendly all-volunteer staff will make sure your event is an enjoyable one. A variety of vintage railroad equipment is available, depending on location. To book your group travel or for more information, please call Pat Smalley at (845) 889-4242 or please send an email to charters@catskilltrainroad.com. **Tour operators and tour buses welcome!**

IMPORTANT NOTICE: Schedules are adhered to as closely as possible, but the railroad reserves the right to alter schedules and substitute equipment as operating conditions demand. The railroad is not responsible for lack of sufficient capacity. There are no bathrooms on board trains.

APPENDIX C

Letter of support from Ulster County Dept. of Social Services.

COUNTY OF ULSTER
DEPARTMENT OF SOCIAL SERVICES
1091 DEVELOPMENT COURT
KINGSTON, NEW YORK 12401-1959

Michael P. Hein, County Executive



(845) 334-5400
FAX (845) 334-5199

Patricia P. Jelacic, Acting Commissioner
Barbara J. Sorokin, Deputy Commissioner

January 13, 2012

Catskill Mountain Railroad
PO Box 1415
Kingston, NY 12402

Dear :

The Children and Adult Services Division of the Department of Social Services would like to extend our heartfelt thanks for contributing to and being a part of the Holiday Drive this past year.

Your overwhelming generosity enabled us to provide food, gifts and clothing to nearly 500 children and senior citizens this holiday season.

The compassion and kindness you showed for those in need was indeed appreciated by our Agency and the families we serve. Your charity serves to strengthen and improve the role each of us play in the community as well.

Again, thanks so much and we would like to wish you a Happy, Healthy and Peaceful New Year.

Sincerely,

Charlene Boswell, Chairperson
Nancy DeFeo, Chairperson
Kristy Granger/Missy Gallagher, Co-chairpersons

The Holiday Committee for the Department of Social Service
Children and Adult Services Unit

Ulster County Website: www.co.ulster.ny.us

APPENDIX D

Catskill Mountain Railroad in the press.

'Tis the season to ride Holiday Train

DAILY FREEMAN - December 4, 2011 - By Eric Houghtaling

KINGSTON — There was no shortage of holiday cheer or youthful excitement as the Catskill Mountain Railroad began service Saturday on its Holiday Train at its temporary depot on Westbrook Lane near Kingston Plaza. The train, which travels a 3-mile route, heads west across the plaza's main entrance and Washington Avenue, proceeds to the old C9 Bridge and then returns to the depot. The round-trip ride takes about 30 minutes.

Santa Claus and a small band of musicians playing Christmas carols ride with passengers in the open-air car. "We've been at this for 28 years now," said Catskill Mountain Railroad President Earl Pardini. "This gives people who have never been on a train before, especially children, (the chance) to experience it and learn a little about rail safety," Pardini said. "It's a nice opportunity to get closer

(to trains)."

Pardini said the staff is made up completely of volunteers, and he called the effort "a labor of love." All money raised goes toward the upkeep of the railroad, he said.

The train runs on the hour, starting at 1 p.m. and ending at 4 p.m., every Saturday and Sunday through Dec. 18. There also be rides on Dec. 26 and Jan. 1 and 2. The fares are \$6 for adults, \$4 for children ages 2-11 and free for kids under 2 with a paid adult fair.

Kevin and Liz Rosa brought their daughter-in-law, Meghan, and three grandchildren to ride the train on Saturday. "I think it's good education for the kids," Kevin Rosa said. "It was our first time. We decided to give it a shot. It was a lot of fun."

<http://www.dailyfreeman.com/articles/2011/12/04/news/doc4edadf803b7d0507670463.txt>

Take a ride on the Holiday Train

YNN-TV - December 18, 2011 - By YNN Web Staff

KINGSTON, N.Y. — All aboard the Catskill Mountain Railroad as the Holiday Train rolls through Kingston.

Residents are able to get into the holiday spirit as they enjoy a one-hour excursion by train through the historic city! The train consists of open-air seating as well as limited space inside a refurbished caboose.

The Catskill Mountain Railroad has been offering the Holiday Train ride for three years now, with around 200 to

300 people riding each day. The three-mile ride takes place on select weekends throughout the season, and children have a chance to visit with Santa Clause and sing Christmas carols.

All of the proceeds made during the season go right back into restoring the train and the railroad. The last chance to catch a ride on the Holiday Train will be at the beginning of the New Year, January 1st and 2nd.

http://hudsonvalley.ynn.com/content/all_news/567526/take-a-ride-on-the-holiday-train/

'Tis the season to ride Holiday Train

HUDSON VALLEY ALMANAC - December 15, 2011 - By Frances Marion Platt

It seems like every time somebody – usually somebody trying to sell more of something – comes up with a brainwave on how to “modernize” Christmas, there’s a backlash. And I’m not just talking about the Bill O’Reillys of this world, who get their knickers in a twist over people who prefer to substitute the inclusive term “holidays” for the exclusive “Christmas” when conveying their season’s greetings. Nor am I talking about hard-line Christians who insist, despite all evidence to the contrary, that nobody celebrated the Winter Solstice by bringing evergreens into their homes until Jesus came along.

Fundamentally, I don’t think that it’s a religious issue at all. A large part of the appeal of Christmas and the other holidays that occur this time of year is nostalgia: an atavistic urge to return to a time in one’s childhood, real or imagined, when one felt safe and cherished. It’s a kind of comfort food for the psyche.

Plastic Yule trees may uphold the noble principle of sustainability, but they just don’t smell right. Shopping malls are obliged to play more contemporary, secular holiday songs over their PA systems, but they don’t make us feel grounded in the way the ancient carols do. This holds true even for a lot of people who don’t believe in the particular deity who inhabits those carols. Whatever we choose to call it, we want “Christmastime” not to change too much.

So it’s nearly always an uncontroversial pleasure when somebody gets a brainwave for a way to evoke times long past when we get into the winter holiday season. The Catskill Mountain Railroad, whose stock in trade is nostalgia, came up with a great idea some years back when it started bringing its historic railway cars and engines into Kingston in December and early January. Those Holiday Train Rides are back, and you can join one any one of the next few weekends – with the exception of Christmas Eve,

Christmas Day itself and New Year’s Eve. There will be additional trips on Boxing Day and the day after New Year’s.

These one-hour excursions depart from Westbrook Lane for a three-mile round-trip that heads west across Fair Street to Washington Avenue, and thence to the old C9 Bridge and back again. Since these are vintage trains that used to serve the Catskill mountain houses way back in the day, most of the seating is open-air, so you would be wise to dress appropriately for the weather. There is a refurbished caboose, which is an enclosed space with a woodstove; but seating therein is limited, and so should probably be ceded to babies, the elderly and the infirm. Think of this bit of time-travel as an adventure into the days before central heating, and come prepared.

It should be noted that, although Catskill Mountain Railroad trains do make forays into Kingston at some other times of the year, this is the only time when Santa has a seat booked on every single excursion (except for New Year’s weekend, when presumably he’ll be someplace tropical to recuperate). So your kids will have a captive audience for their wish lists, and they won’t even have to sit on his lap – and you won’t have to listen to the mind-numbing blare of mall holiday music.

The Catskill Mountain Railroad’s Holiday Train Rides leave Westbrook Lane at Kingston Plaza at 1, 2, 3 and 4 p.m. on Saturdays and Sundays, December 17 and 18 and January 1, as well as on Mondays, December 26 and January 2. The fare is \$6 for adults, \$4 for children aged 2 to 11. Tickets are available for sale at the depot beginning 30 minutes before the first train of the day. Plenty of free parking is available at the Plaza. The trains are handicapped-accessible but have no onboard rest rooms, so plan ahead. For more information, visit www.catskillmtrailroad.com.

<http://www.hudsonvalleyalmanacweekly.com/2011/12/15/santas-on-board-the-catskill-mountain-railroad-holiday-train/>



www.catskillmtrailroad.com