

**NEVADA COMMISSION for the RECONSTRUCTION of the V&T Railway
THURSDAY, MARCH 3, 2021 @ 11:00 a.m.
CARSON CITY COMMUNITY CENTER, BOB CROWELL BOARD ROOM**

MEETING MINUTES

1. CALL TO ORDER: 11:04 a.m.

2. ROLL CALL

Elaine Spencer called roll.

Chairperson: David Peterson – Present
Treasurer: Deny Dotson - Present
Board Members: Stephanie Hicks – Present
Clay Mitchell – Present

Others: Elaine Barkdull-Spencer, Mayor Lori Bagwell, Michael Smiley Rowe, Linda Ritter, Stan Jones, Gabe Willaman, Ken Dorr, Tom Gray, Chris Kipp, Angie Hoeger, Mike Zacarro, via webcast: Molly Ellery, Austin Osborne, Jennifer McCain, Nancy Paulson, Vinnie Ficchi, and Todd Lozo

3. PLEDGE OF ALLEGIANCE

4. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: PUBLIC COMMENT ON NON-AGENDIZED ITEMS

No public comment.

5. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: APPROVAL OF MEETING MINUTES AND AN AMENDMENT TO APPROVE THE AGENDA AS WAS POSTED.

D. Dotson made a motion to approve the January 28, 2021 meeting minutes and approve the agenda as was posted.

Second – S. Hicks

Approved – Unanimously

6. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION FOR DISCUSSION ONLY: DISCUSSION AND PRESENTATION CONCERNING DIRECTIVES OF THE V&T RAILWAY COMMISSION FOR THE PURPOSE OF STRATEGIC PLANNING CONCERNING THE SUSTAINABILITY OF THE RAILWAY-RELATED OPERATIONS, BY LINDA RITTER CONSULTING.

Summary of feedback and desired results provided by the V&T Commission and stakeholders as recorded:

- Visitors: *Make visitors ambassadors – willing to share their experience Authentic experiences Historic experience (rail bikes) Cultural / heritage Themed events Unique experiences – part of a different experience Easy ticketing options*

- Businesses: *Traffic to the business*
- Taxpayers: *Return on investment*
- Regional partners: *Visitor impact – part of a N Nevada package Assistance with grants*
- Lodging: *Overnight stays / Out of area visitors Options for visitor and convention packages*
- Tour operators: *Unique part of a tour package*
- Storey County Commission: *? Find out what they want*
- Carson City Board of Supervisors: *? Find out what they want*
- Virginia and Truckee Railroad: *Coordinated and successful operation*
- Railbike operators: *Successful operation*
- Rail enthusiast: *Authentic experience*
- Conventions / Groups / Organizations: *Convention event / experience*
- Volunteers and non-profit organizations: *Opportunity for donated services/ funds*
- Volunteers: *Opportunity to work on events*
- Nevada State Railroad Museum: *Coordinated experiences for visitors*
- Regional cultural assets

7. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION FOR DISCUSSION AND POSSIBLE ACTION: REGARDING THE SCOPE OF SERVICES TO BE INCLUDED IN A REQUEST FOR PROPOSAL FOR THE HIRING OF A V&T RAILWAY OPERATIONS COORDINATOR.

E. Spencer handed out a list of tasks and scope of work for her replacement. She said the tasks will increase should the train be running again soon. There were two lists. One for the day to day administrative and reporting responsibilities and a second for depot operations, management and staff, duties.

Chairman Peterson stated that the lists of duties would help the commission to pull together an RFP for a contractor for independent services.

D. Dotson said his office has within the MOU a clause that they will be able to assist with some of the administration tasks during the transition as well as a tentative budget.

E. Spencer said she believed the MOU allowing VCTC to handle administration assistance was removed from the new MOU with Storey County.

D. Dotson said he believed it says 'Storey County' which would still allow VCTC to do the work as they are part of Storey County.

After consulting with M. Rowe, both Carson City and Storey County agree to work on the administrative items together.

C. Mitchell asked if there were any duties that were urgent and not considered as administrative duties.

Ken Dorr explained they were a historical railroad and were required to have a regulatory compliance officer for federal monthly safety reports. He went on to describe the required signal and track inspections, keeping records, and the unlikely possibility of fines for not adhering.

E. Spencer explained how she had the reports up to date and that inspection were being handled monthly by Gabe Willaman under his month-to-month agreement.

S. Hicks stated that she would like to look at the month-to-month contracts soon to make sure the procurement requirements are being met.

D. Dotson made a motion that both the Chairman Dave Peterson and himself rework the job description for the Railway Operations Coordinator/Admin knowing that both Storey County and Carson City with the Visitor Bureau in Carson City can assist with certain job duties on an interim basis.

Second – S. Hicks

Approved – Unanimously

8. CHAIRMAN PETERSON BROUGHT UP THE NEXT ITEM FOR POSSIBLE ACTION: FY21 FINANCIAL REPORTS OF THE V&T RAILWAY COMMISSION AND TENTATIVE BUDGET PREPARATION FOR FISCAL YEAR 2022.

E. Spencer presented the V&T Budget Report ending January 31, 2021. She stated the revenue was coming in light due to it being offseason and pre-season ticket sales for the regular season was not active. She estimated \$3,000 a month in revenue each month for February and March 2021.

D. Dotson recommended shutting down ticket sales for the Polar Express as well until it was known what direction the Commission would like to take on the event. He recommended she adjust the website to let customers know that V&T Railway was working on the 2021 season.

E. Spencer said that would take revenue down to Special License Plate revenue only which is approximately \$1,500 - \$2,000 a month. She said she could stop Polar Express rides tickets immediately and would change the website.

E. Spencer estimated about \$20,000 a month for standard non-train related expenses. She said she would be working with D. Dotson and Storey County on a tentative budget and would also provide them with projections for the final number for FY20-21. The projections would help if the commission decided to submit an augmented budget for FY20-21.

S. Hicks made a motion to approve FY21 reports for the V&T Railway Commission and the proposed procedure for working through the budget preparation for FY22.

Second – C. Mitchell

Approved - Unanimously

9. CHAIRMAN PETERSON BROUGHT UP THE NEXT ITEM TO THE COMMISSION'S ATTENTION FOR DISCUSSION AND POSSIBLE ACTION: A REQUEST BY FREEDOM RAIL, LLC TO AMEND "SCHEDULE A" TO THE "INDEPENDENT RAILBIKE RIDES SERVICES AGREEMENT," MADE EFFECTIVE ON AUGUST 1, 2020 AND ENTERED INTO BETWEEN THE V&T RAILWAY COMMISSION AND FREEDOM RAIL, LLC, TO REVISE AN EXISTING 40/60 PERCENTAGE GROSS REVENUE SHARE TO A 25/75 PERCENTAGE GROSS REVENUE SHARE WITH THE MAJORITY OF THE OPERATIONAL EXPENSES TO BE ASSUMED BY FREEDOM RAIL, LLC.

Freedom Rail LLC representatives Todd Lozo and Vincent Ficchi joined the meeting via WebEx.

E. Spencer briefly explained the new proposal. Freedom Rail would now take on and maintain their own management, their own will-call, and their own ticket sales. They would be handling all the things that V&T Railway was doing for them last year. She added under this new proposal for a 25/75 split, Freedom Rail would maintain the operations as far as overseeing their operations and the facilities and would be writing a check to the V&T Railway. However, if the Commission preferred to continue providing the marketing for the railbikes, they then would be open to a 30/70 split of ticket sales. She went on to explain that the new proposal provides them access to the tracks between Eastgate Depot, down to Eureka Siding and up to the Linehan Crossing. Also, it would give them access to the depot facility where they would run their own ticket sales and retail area in a corner area of the depot. They could start running in April continue through October. They would start moving their things out in November to make room for the Polar Express. This would allow for the loading area to be configured for the Polar Express. E. Spencer further added the V&T Railway did not need a loading area for the regular train season as passengers could wait inside the depot area and come out of the overhead doors on the backside of the depot that leads to the loading dock. Passenger cars are not assigned during the regular season. The railbikes and trains can operate together cohesively, and both utilize the depot during the regular season. They would be two operations independent of each other.

E. Spencer added the hours of operation for the railbikes were included in the amendment should the train come back to ensure there was room to have the train long gone before the railbikes on the tracks and then the railbike to be off the tracks when the train returns. The only cross-over decision to be made would be the wine trains. As an alternative the wine trains could be run towards Virginia City allowing the railbikes to maintain full use of the canyon.

Lastly, the new agreement would allow for Freedom Rail to start with the existing inventory and add railbikes in increments until June when they should have the fifteen railbikes in operation, as previously agreed.

V. Ficchi said they are starting in April with one staff railbike and nine railbikes for the customers. Weather permitting; he said they could be starting as early as the weekend of April 3, 2021.

T. Lozo said the new railbikes are in production now and they intend on having all 15 by June 1st, 2021.

V. Ficchi thanked everyone and reflected on how at the first meeting they made some promises stating this should be a joint venture and they wanted to make Freedom Rail and the V&T Railway a lot of money and help promote tourism. He added that they were confident that they had accomplished just that with the help of everyone who worked out here. He finished by saying they were grateful for the opportunity and they learned some things; he hopes everyone is happy and they are excited to start the new season.

V. Ficchi said they are improving their railbikes with a more durable hydraulic brake system and modifying the seatbelts to a retractable type – not because there was a safety issue, simply because the older type relied on the passenger to unbuckle and place it upon the seat when the ride was completed. They are also adding a handle in the back of the bike.

T. Lozo said they are also adding bumpers to the front of the bikes and decided to not turn the motors on until the bikes were in the canyon and that would help keep the railbike speeds down.

C. Mitchell asked Freedom Rail what they envision and if the facility will be sufficient for all the changes.

V. Ficchi said they learned things last year about efficiency; it would be good if things could be handled by one party. It would save labor for both parties. He said they could certainly handle the security responsibilities as well and encouraged the Commission to address any future questions or items to Freedom Rail and they would handle them.

C. Mitchell asked if the wording on the price for a ticket needed some changing as well so as not to keep a fixed price of \$45.

T. Lozo agreed, explaining that Special Events and holidays may require a different ticket price.

V. Ficchi thanked C. Mitchell stating that having the flexibility of pricing the rides would maximize the profit for everyone.

Chairman Peterson asked if Freedom Rail were comfortable with coming up with themed rides and said they could include that in the contract also.

V. Ficchi confirmed they could.

D. Dotson wanted to make sure they would work with Tom Gray on rail access and thanked them for the railbike improvements made.

V. Ficchi confirmed that it was important that Freedom Rail work with Tom Gray when sharing the track and scheduling of the railbikes.

V. Ficchi added that they would like to add a two-year extension to the 2021 contract under the same terms.

C. Mitchell made a motion to approve an amendment to be labeled Amendment 1 to the existing agreement between V&T Railway Commission and Freedom Rail, LLC as outlined in the agenda, additionally to include the following changes to allow the rate change in Schedule A of the agreement to allow Freedom Rail LLC the flexibility of the pricing at their discretion, and to include responsibility of security monitoring of the depot grounds, and to extend the contract agreement to December 31, 2023 and to authorize staff to make clerical corrections to the agreement and adjustments to reflect the intent of this agreement as discussed.

Second – S. Hicks

Approved - Unanimously

10. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION FOR POSSIBLE DISCUSSION ONLY: NON-ACTION ITEMS:

A. General Manager's Report

Elaine Spencer informed the commissioners that Jim Wells is the new State Representative on the Railway Commission. She said he comes from a background of state finances and he will be a welcomed addition.

Chairman Peterson added that J. Wells is the former budget director for former Governor Sandoval.

Elaine Spencer reported that they are working with a First American Title Company on a new note for the Drako property. It could be late March before they had all the paperwork. She said Mr. Street was to provide more information requested by the title company.

B. Attorney's Report

M. Rowe said they were to receive by mail the \$200,000 check and back interest fees. He said at this point Mr. Street is in default and the V&T Railway potentially could take the building back. He said if the check is deposited it is an assumption he is not in default. M. Rowe said he would prefer the process be completed and the check funds be verified, but not deposited in case the commission needs to foreclose on the property.

Chairman Peterson surveyed the Commissioners, and it was determined to hold the next meeting including the workshop on March 25, 2021 at 11 a.m.

11. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: PUBLIC COMMENT.

No public comment.

12. CHAIRMAN PETERSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: ADJOURNMENT OF THE MEETING.

Deny Dotson made a motion to adjourn the meeting.

Second – S. Hicks

Approved - Unanimously

Chairman Peterson adjourned the meeting at 3:10 p.m.

The Minutes of the March 3, 2021 Nevada Commission for the Reconstruction of the V&T Railway meeting are so approved this 25th day of March 2021.

Approved by the V&T Railway Commission Chair:


