

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Thursday, October 28, 2021 Regular Meeting
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A regular meeting of the Nevada Commission for the Reconstruction of the V&T Railway was held at 1:00 p.m. on Thursday, October 28, 2021, in the Community Center Robert “Bob” Crowell Boardroom, 851 East William Street, Carson City, Nevada.

The meeting video is available on Carson City’s website by clicking on the link below:
https://carsoncity.granicus.com/MediaPlayer.php?view_id=2&clip_id=1907

PRESENT: Chairperson David Peterson
Vice Chair Clay Mitchell
Treasurer Jim Wells
Commissioner Stephanie Hicks
Commissioner Deny Dotson

1. CALL TO ORDER

Chairperson Peterson called the meeting to order at 1:00 p.m.

2. ROLL CALL AND DETERMINATION OF A QUORUM

Roll was called and all Commissioners were present, establishing a quorum.

3. PLEDGE OF ALLEGIANCE

Chairperson Peterson led the Pledge of Allegiance.

4. PUBLIC COMMENT

Public comment was made available via telephone, (775) 686-9037. Chairperson Peterson entertained public comments; however, none were forthcoming.

**5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – SEPTEMBER 23, 2021
V&T RAILWAY COMMISSION MEETING**

Chairperson Peterson introduced the item and entertained comments, changes, or corrections.

On page 4, in paragraph 4, one of the stats should read 2,083 instead of 2,08333. Also, on page 4, in the first paragraph, it is the Division of Environmental Protection not Department.

MOTION: Treasurer Wells moved to approve the minutes for the September 23, 2021 meeting with the two corrections. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

CONSENT AGENDA

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Had a great meeting with Jennifer in Virginia City last week. The Budget to Actual report and the Actual Remaining Balance reports in the Consent Agenda came from Treasurer Wells and not Jennifer. Jennifer and Treasurer Wells will work on this moving forward to ensure we are on the same page. Other things to note, the bottom line of the Budget to Actual, \$71,278.55, matches the check run for the month of September. The \$272,614.39 in ticket sales still needs to be broken out into Polar and general trains. Treasurer Wells has begun to look at this – the vast bulk of this is Polar, roughly \$244,000, and the remaining \$28,500 is regular trains. If overspending in a line item, the report highlights where you are in the year versus what you've spent. Treasurer Wells will eventually have something similar for revenue – where we are expected to be versus where we are. The second piece is the Contractual Summary. This tracks where our vendors are both in their total contract as well as their current year allocation. It also has termination date for them.

Regarding the Gabe Willaman contract, this report is reflective of the work completed after the contract was put in place. According to the conversations with Ken Dorr, most of the work will be done in the first half of the fiscal year and a lot less activity in the second half of the fiscal year. Therefore, it should not be surprising that that contract is spending a lot upfront as opposed to the second half of the contract – 80% spent in the first 6 months and 20% spent in the last 6 months.

Chairperson Peterson asked if other Commissioners would like to remove any items from the Consent Agenda.

Vice Chair Mitchell asked that the percentage remaining, or percentage spent column be aligned to one or the other. Treasurer Wells agreed to make this adjustment.

Commissioner Dotson reminded the Commission that marketing is needed at the start of the season – needs to happen at the tail end of this fiscal season to prepare for the next general season. We need marketing dollars to get us going next year unlike how this regular season started.

Chairperson Peterson asked how much marketing money was spent. There is currently roughly 30 something thousand dollars left in the marketing Budget. This is to be discussed in the Operations Manager update.

MOTION: Vice Chair Mitchell moved to approve the Consent Agenda as presented. The motion was seconded by Commissioner Dotson and carried 5-0-0.

END OF CONSENT AGENDA

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF CONTRACT NO. FY22-C002, WITH AMADOR STAGE LINES, TO PROVIDE SHUTTLE SERVICES BETWEEN THE GOLD DUST

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WEST AND THE EASTGATE DEPOT PER NIGHT OF THE POLAR EXPRESS TRAIN RIDE, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$40,000.

This item was on the agenda last month, but we needed to give the Amador legal team more time to review it. They have agreed with the language that was presented in the contract. It is the exact same contract with the exception of the upon approval date.

MOTION: Chairperson Hicks moved to approve Contract No. FY22-C002, with Amador Stage Lines. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING AMENDMENT OF CONTRACT NO. FY21-C003, WITH GABE WILLAMAN RAILROAD CONSTRUCTION, TO PROVIDE ADDITIONAL TRACK MAINTENANCE OF \$54,125, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$94,125.

This gets us through the end of calendar year and the work that still needs to be done with the pre-emergent, the track inspections, Polar Express.

Commissioner Hicks proposed to extend the term of this contract until the end of February to give more time for the RFP. January and February are likely not heavy maintenance months, but we want to ensure we have Gabe's services in place in case of emergency. Chairperson Peterson summarized that the amendment would keep the same dollar amount but extend the term date a few months.

Vice Chair Mitchell asked what remains to be done, particularly in addition to the routine maintenance (i.e., what kind of repair work is anticipated). Ken Dorr addressed this. He has a complete list that the amendment budget is based off of.

- Track inspections
- Signal inspections
- Ballast purchase
- Way maintenance and labor costs
- Pre-emergent purchase and application
- Clean up work after Polar Express

Vice Chair Mitchell also asked if the recent precipitation impact the amendment budget. Ken Dorr assured the Commission that the recent rainfall was not as severe as it was made out to be.

MOTION: Commissioner Hicks moved to approve first amendment to Contract No. FY21-C003, on call independent track maintenance services contract, with an amended annual not to exceed amount of \$94,125 and an extension of the term to February 28, 2022. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST FOR PROPOSAL OF TRACK MAINTENANCE SERVICES.

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Commissioner Hicks explained the proposed RFP. One area of discussion was the difficulty with the timeframe, this was resolved by the approval of the last item. Proposing that the RFP be issued mid-November with a due date of January 1. All other items would be lined up in between to correlate. Selection would take place in the January or February meeting.

Commissioner Hicks also noted an error in the total on the scoresheet – it should be 200. That correction will be made.

Commissioner Hicks brought up the criteria of the ability to respond to unplanned situations. There are points for this – they have to tell us their availability and the timeframe necessary to respond to the unplanned situations that could occur. Should we consider a timeframe that we want them to respond within? If we receive any funding from the federal government, we can't say that we want local only or Nevada only. Although we can't give a local preference, what we could do is indicate a timeframe that we need our maintenance person to respond within.

Chairperson Peterson asked if Commissioner Hicks was thinking same day, within an hour, within two hours? Ken Dorr commented that it would depend on the scenario and the need. He recommends leaving the question vague to allow each respondent to put their own timeframe down. Vice Chair Mitchell proposed overweighting this category – the question becomes where to take the points away from? Possibly cost proposal? Treasurer Wells suggested expanding the bullet point under 10.4 to say “Be detailed about different scenarios” to see what kind of responses we get. Vice Chair Mitchell added that taking points from cost may be a wash. He also noted that there is a pro to not being specific – if the respondent leaves out key situations, they may have to deal with it would be cause for concern. It would be one more way for the Commission to evaluate their preparedness to take on this contract. Concluded to add “Be specific” after 10.4.

Treasurer Wells questioned how 8.2 and 8.3 are relevant to this contract. Does not want to try to grade someone on this. Second, 9.1.a. is V&T track specific. He proposes adding “or other applicable short line class 1 or class 2 tourist tracks” language. Regarding 8.2 and 8.3, Vice Chair Mitchell asked who would be responsible for overseeing this contract? Chairperson Peterson stated that this would fall under the Maintenance of Way Supervisor/Engineer.

Chairperson Peterson asked if RFP responses should be mailed to the V&T Railway P.O. Box? Or is it okay for them to be sent to his office as the RFP currently requests? It was concluded that submissions can be mailed or delivered in person to the Visit Carson City office as they will be sealed – the RFP will stay as is on this matter.

Vice Chair Mitchell raised Section 5, Duration of Service. With a start date of March 1, does the end date get pushed to March 1 in 2025? Treasurer Wells proposed pushing this contract to 2026 so not all RFPs will be done at once. Concluded that the RFP will cover March 1, 2022 through March 31, 2026 for a 4-year contract duration. Vice Chair Mitchell wanted to confirm that this timeline will be acceptable administratively seeing as it will be around the fiscal year rather than the calendar year as previously discussed. Allyson Bolton confirmed that this RFP timeline is better than shaping it around the calendar year due to Polar Express in November and December.

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Treasurer Wells suggests we avoid February due to the leap year and changing dates. Vice Chair Mitchell questioned if this timeline would disrupt preliminary budgets. Chairperson Peterson and Treasurer Wells stated that it should be alright.

MOTION: Treasurer Wells moved to approve the release of the Request for Proposal for Track Maintenance Services with adjustments made by Commissioner Hicks. The motion was seconded by Commissioner Dotson and carried 5-0-0.

12. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

A. OPERATIONS REPORT

Allyson Bolton provided the Operations Report. Trains operated throughout September and October and preparations for Polar Express began. We're currently planning for Halloween at the Depot. Numbers are low for this weekend given it is both Halloween and Nevada Day. To bring added interest to the weekend, we created a Halloween Hunt where riders receive a list of items to watch for during the day and turn in the cards at the end of the day to be entered into a raffle with prizes donated by Carson City and Virginia City. There was a small bump in sales as a result.

A lot of time is being spent on customer service with 40 to 60 calls to the 686 number through Grasshopper and approximately 20 to 30 voicemails per day. We're receiving a lot of Polar Express questions given the changes and new offerings this year.

Riders receive a canned thank you email with a post ride survey and there were 55 responses. Upon reviewing these responses, they were overwhelmingly positive. We will continue these surveys, including for Polar Express.

We met with an event producer regarding Polar Express décor and the possibility of installing some décor items permanently rather than reconstructing year over year—investing the cost one year in order to save costs in future years. North Pole setup has begun. We've also been working on music licensing, and we have found a photographer to take photos with Santa at the Depot. She will cover the cost and cut a check for 30% of the gross revenue to be split between the Commission and Rail Events.

Two media trains are planned on November 18. We are finalizing a shuttle schedule from Gold Dust West to the Depot. Freedom Rail is moving out of the Depot and into the blue building. We have a walk through on Wednesday and will begin moving in Polar Express.

As far as ridership, for general season trains, October was the best month of the season with 921 passengers. Polar Express is currently 80% sold. Parking is another revenue opportunity, and we will boost parking marketing.

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Freedom Rail ridership was low in August due to the fires, September ridership was also low. In October, they peaked with 682 riders. Currently, they are down to two runs per day and business is slowing as the weather gets colder.

Assets

The biggest focus as of late is clearing out the Depot to make room for Polar Express. We also scheduled septic service and secured propane schedule to prepare for the Polar Express crowds, completed routine Depot upkeep, and coordinated with BLM to address an individual who was using power from our building.

Next steps are to potentially hire a groundskeeper for Polar Express, complete minor Depot improvements and completing a full inventory.

Board Relations

We've been providing a lot of assistance to the auditor as well as making notes of the types of items the auditor is requesting in order to make next year's audit a more seamless process. We had a potential grant opportunity; however, it was determined not to be a good fit. We will continue seeking potential grant opportunities moving forward. We are also working on establishing tax exempt status with various vendors.

We had a fruitful conversation with the Nevada Mining Association, and they are very interested in getting involved with the V&T. We are planning an in-person meeting in the coming months and think this could become a mutually beneficial relationship.

Marketing

There was one eblast in October for the Halloween Hunt. We received press coverage from a release from Carla Wilson who is seeking youth groups to assist with elves at the North Pole. We had a slight increase in our social media followers.

We have two advertising buys. The first is for Polar Express and will launch very soon – it includes radio, Always on Digital, Spotify and Pandora. Because we are nearly sold out, we have gone back to the ad buyer twice to decrease the amount spent on advertising and will only run through November 30. The second advertising buy is a general branding buy. We will hit the ground running in February for a May launch on Mother's Day, and we are looking to secure buys now due to next year's political season. The buy will include outdoor posters, radio, television, streaming audio and digital.

Chairperson Peterson announced that he needed to step away from the meeting and turned over chair duties to Vice Chairperson Mitchell.

Vice Chairperson Mitchell opened up the floor to questions from Commissioners. Treasurer Wells asked if an agreement was needed with the photographer. Allyson stated that the photographer submitted an informal agreement, but it was provided too late to be included in today's meeting. However, this is a revenue-only contract and there are no expenses to the Commission. Allyson asked if the Commission needed to approve the contract. Treasurer Wells

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stated that he preferred that it came to the Commission. Allyson noted that the next Commission meeting is not scheduled until November 30. Vice Chairperson Mitchell stated that he was comfortable with reviewing the contract now and ratifying it after the fact. Treasurer Wells agreed.

Commissioner Dotson asked how the new 833 number is working. Allyson responded that she believes it is working well, with roughly half of calls utilizing the 775 number and half going through the 833 Grasshopper tree. There is also less traffic on the AT&T bill. Commissioner Dotson emphasized the importance of providing information about V&T to ensure the public understands what it is and how it is different from other local railroad operations. This includes phone numbers and potentially online information.

B. ATTORNEY'S REPORT

Mike Rowe presented the Attorney's Report. The auditors have requested all Drako paperwork. This file will be given to Chairperson Peterson to pass along to the auditors. Received a second public records request for information relating to the work that was done on the 18. Under the CFR, required to keep records of the work that was done on the 18. Will need to request those from Tom Gray. Had a meeting to discuss sole source contracting which will be on the November Commission agenda to make a decision. Rail Events requested to be named as additionally insured on insurance policy – sent request to Wayne Carlson at Nevada Insurance POOL for an updated Certificate of Insurance.

Treasurer Wells asked if there is a new note with the updated Drako payment schedule. This is what the auditors had requested. The updated payment schedule was not memorialized into a formal adjusted note by the previous Commission. Neither payment schedule has been seen, and they need to be found. In addition, interest has been accruing since January and needs to be collected. This was discussed at a Commission meeting – the Commission voted to approve. After that, Elaine was handling and dealing with Roy Street. Treasurer Wells would like to see a new repayment schedule in a new note – for the Commission as well as for the auditors. The last schedule that was presented to the Commission was in January.

Vice Chairperson Mitchell stated that this issue was discussed when things were first delayed, and at the time the decision was made to focus on getting the money released and then determine a course of action for the interim period. He also recalled that the last schedule was presented to the Commission in January. Treasurer Wells reiterated that the balloon payment has not been received and that is not acceptable.

Vice Chairperson Mitchell asked if it was permissible to know who requested public record. Mike Rowe responded that Kim Fegert requested public record.

C. ENGINEER'S REPORT

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Ken Dorr presented in the Engineer's Report. Ken introduced Gary Luce, geotechnical engineer, who was in attendance. Ken reviewed a DOT/FRA grant and found that it was not applicable for the Commission. Gary reviewed the Northern Nevada Railroad site and learned that they had received multiple grants, including for track improvements. Ken shared this information with the operations team.

We are required to have an emergency contact number, and what we have right now is working for the time being. We may need to convert to a constantly monitored number in the future versus a recording.

Completed bridge and tunnel inspections and remainder of inspections will be completed soon. This process helps to identify which areas need work. Everything held up well following the recent storms, only minor cleanups were needed. Gabe is in the process of putting down pre-emergent and then will get back to surfacing, weather permitting. We will likely come in under budget. Ordered aggregate to fill in gaps at the Depot prior to Polar Express. Will turn off drinking fountain.

Gabe Willaman shared that the Railbike team was contacted by Carson Highlands Mini Storage near the railroad about our material running down onto their property. Gabe confirmed this issue and noted that it should be addressed.

Vice Chairperson Mitchell opened the floor to questions and comments from the Commission. Commissioner Hicks mentioned the V&T right of way that was granted from BLM. She was able to confirm that it is a permanent right of way grant. We have a permanent easement, but we don't own property in title.

D. UPCOMING MEETINGS

Vice Chairperson Mitchell read the following into the record:

- **V&T Railway Commission: Tuesday, November 30, 2021 at 1:00 p.m.**

13. COMMISSIONER COMMENTS, ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION FROM STAFF

Vice Chairperson Mitchell entertained comments, announcements and requests; however, none were forthcoming.

14. PUBLIC COMMENT

Public comment was made available via telephone, (775) 686-9037. Vice Chairperson Mitchell entertained public comments; however, none were forthcoming.

15. FOR POSSIBLE ACTION: TO ADJOURN

MOTION: Commissioner Dotson moved to adjourn.

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Vice Chairperson Mitchell adjourned the meeting at 2:41 p.m.

The Minutes of the October 28, 2021 Nevada Commission for the Reconstructions of the V&T Railway meeting are so approved this 30th day of November 2021.

Approved by the V&T Railway Commission Chair:

A handwritten signature in blue ink, appearing to read "David Roberts", is written over a horizontal line.