

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, March 23, 2022 Regular Meeting
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A regular meeting of the Nevada Commission for the Reconstruction of the V&T Railway was held at 9:00 a.m. on Wednesday, March 23, 2022, 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=2012#

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

ABSENT: Commissioner Deny Dotson

CALL TO ORDER

Chairperson Peterson called the meeting to order at 9:03 a.m.

1. ROLL CALL AND DETERMINATION OF A QUORUM

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

2. PLEDGE OF ALLEGIANCE

Chairperson Peterson led the Pledge of Allegiance.

3. PUBLIC COMMENT

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

Chairperson Peterson mentioned that posted as late material last night and at the back of the room is an email from Ken Dorr regarding some recommendations on pavement resealing for the Eastgate parking lot and the approach road. That is included under public comment as late material.

**4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – FEBRUARY 23, 2022
V&T RAILWAY COMMISSION MEETING**

Mike Rowe commented that Chairperson Peterson was not at the meeting, so all commissioners were not present Under number 9, in the first paragraph, second to last line, there is a repeat of the words “a contract” when talking about Gabe’s contract. Will remove the second “a contract” in that first paragraph.

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MOTION: Treasurer Wells moved to approve the minutes with the two changes noted. The motion was seconded by Commissioner Hicks and carried 4-0-0.

CONSENT AGENDA

MOTION: Commissioner Hicks moved to approve the Consent Agenda as published. The motion was seconded by Vice Chair Mitchell and carried 4-0-0.

END OF CONSENT AGENDA

9. FOR DISCUSSION ONLY: DISCUSSION OF TENTATIVE BUDGET PREPARATION FOR FISCAL 22/23 BUDGET.

The budget committee – Jim, Clay, and Allyson - has put forwarded tentative budget numbers for the review by the full Commission.

Created a tentative train schedule for the calendar year 2022 and the first part of calendar year 2023 to determine when the train is going to run. It will not be quite the same as it has been in the past. The general train will be running on select Saturdays and Sundays starting with Mother's Day, a couple of specialty trains (i.e., wine trains, Oktoberfest event), and 24 days of Polar Express. This is where the revenue piece comes from -\$852,600. No increases to the existing ticket prices from calendar year 2021. Used 55% capacity for the regular season trains. Almost all steam engine trains, diesel train for Mother's Day and that is it. At 60% capacity in 2019. Lower capacity than this in 2021. Used 100% for Polar Express since we sold out in 2021. Included the \$65,000 for the 25% rail bike split. Included Parking for Polar Express – we will continue to have paid parking. Used numbers for Polar Express photography and merchandise sales based on actual sales from 2021. Allyson Bolton commented that the price for Polar Express parking has been changed from \$15 to \$10 with the shuttle being a tentative offering. Therefore the 2022 Polar Express parking revenue is lower than it was in 2021. The budget does not include the contract for the Amador shuttles from Gold Dust West. Revenue numbers come out to a little over 1.4 million. Chairperson Peterson asked a question about the revenue side. Is the Virginia Truckee RR Lease line item for the small amount of money that Tom is paying for the retail shop? There is not a number for that line item because we have not confirmed whether they will be moving forward with the retail shop this year. It was a relatively small number; it would not have made a significant difference – around \$1,200 for August through December.

On the expense side, we replicated the Polar Express numbers without the Amador Stagelines contract and with slightly less for decorations. We thought we would not have to spend quite as much as we did last year but we did put money aside for decorations, just not as much. Everything else is based on the current year's expenses annualized. Chairperson Peterson asked if Freedom Rail's half of the utilities was factored into the budget. Treasurer Wells answered that they were not. If you look at what revenue was received from the railbikes this year, we are at about \$40,000 as opposed to \$65,000 in the budget. We had \$125,000 in revenue for the railbikes in the FY21 budget, dropped this to \$65,000 inclusive of reimbursement for utilities, track

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maintenance, etc. This could come in higher. Track maintenance, \$112,150 per year, right out of Gabe's contract. Basic repairs and maintenance at Eastgate Depot are a carryover from the current year. Inserted money for regular season special events for decorations, food and beverage, giveaways, and miscellaneous. This is in addition to The Polar Express, for Mother's Day, Father's Day, etc. Professional services, \$53,070, all right out of the contracts in place with the various vendors. The only vendor we do not have a current contract for is Polar Express Production Services; this amount is based on what we spent in 2021 (\$34,000). The invoice received from Virginia & Truckee Railroad for The Polar Express North Pole was quite a bit more than \$40,000 but Tom wrote it off because the contract was limited to \$40,000. Part of this was due to how the North Pole was torn down, reconstructed. Not sure if this will replicate itself or not this year. Hope everything was put away in a more structured fashion this year, so Tom does not have to incur extra costs like he did last year. Hoping the \$40,000 is sufficient for the North Pole setup. Allyson Bolton added that part of the increase was due to missing items that had to be repurchased as well as more maintenance due to high wind. Audit fees right out of contract with Casey Neillon. The Polar Express royalties are based on contract and ticket sales for Polar Express. Last year advertising and promotions were flipped - \$40,000 for the regular season and \$75,000 for Polar Express. We decided that, since with very little marketing we sold out, we flipped it around to put more advertising into getting more people out for the regular season trains. The capital outlay, the \$50,000, is a carryover from the current year. The meeting expenses is based on this year's expenses so far. The insurance premium is based on policy with a slight increase. About \$1,375,600 in expenses leaving us with about \$32,400 above expenses. Treasurer Wells concerned about this budget as well as the budget we are in this year because we are running this operating budget with one time money. We have \$129,000 of revenue from the sale of the Drako property. This is a two-year note. After this fiscal year 2023, we have about 6 months in the following fiscal year and then that \$129,000 is gone. As of February, we have a little over \$210,000. Bottom line is \$165,00 surplus. This puts us at a \$50,000 deficit. Concerned with paying operating costs with one-time revenues. Must increase ongoing revenues or figure out a way to cut expenses. This does not include the \$33,810 contract with Amador. If we did include this in the budget, that would put us into a deficit to begin with. This also does not include the public comment item which is the \$35,000 to resurface the parking lot at the Depot. Treasurer Wells suggests taking that money out of the capital outlay line.

Chairperson Peterson asked a question about Polar Express – does the revenue in the budget reflect having four or even five passenger cars for Polar Express? Allyson Bolton clarified that it is not – the budget is reflective of three cars as we are still in discussion with Tom about adding additional cars and what the associated costs would be (plus more cookies, more hot chocolate, etc.). We were not firm enough on what the revenue and the expense picture would be for something like that to include it in the budget at this point. Curious about net revenue per day. However, without knowing what the costs are, we could not project out a substantial increase in revenue – it was not a huge amount. Make about \$84,000 in revenue from Polar Express without additional car. With the additional car there would be additional costs for the car itself, for the production people, for the supplies, etc. Adding an additional car is not going to be pure profit. Also, can't say it will bring in a third of the \$84,000. Might only net us \$25,000-\$30,000 a car for all the additional work. The car that is being considered is like the deluxe table car so looking at 40 people, 10 tables of 4. The tentative cost is \$2,500 a night. A lot of variable costs that

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fluctuate based on how many riders we have. We are not amortizing fixed costs across additional cars. There are two contracts coming up this year that we don't know the outcome. Production Services – don't know what this will look like. Based budget numbers on contract with Lollipop Productions, for both their staffing as well as their costs. The other is the train contract that will start in January 2023. Used this year's existing numbers for Mother's Day to FY23. That contract will change.

Commissioner Hicks raised a few questions about the parking lot surface sealing. She asked if Ken Dorr has talked to a contractor about actual costs. Concerned that Engineer estimate will end up being double the cost when they go out to bid and we won't be able to move forward because we only budgeted a certain amount. Don't want to be in a situation where we think it might cost \$35,000 but it comes in a lot higher than that. Are we able to hold off one more year? Especially given our bottom line on the budget. Ken Dorr answered that they did speak with a contractor and this estimate is inflated due to oil costs. Alternatively, there are lesser treatments we can do. We can defer the treatment until next year and just take the chance that there will be more costs later.

Ken Dorr also commented that under track maintenance, \$112,150 is Gabe's contract. However, last year, to save on having to pay sales tax, the Commission purchased the pre-emergent material which was about \$8,000. That was paid for directly by the Commission. If Gabe were to pay for it, sales tax would be charged plus he gets to mark it up 27% according to his contract. Some of those items for materials are part of the maintenance of way cost but not necessarily his contract amount. Just his contract amount, unless he must buy those materials, will be less. Jim answered that he took the annual dollar amount out of his contract as that is what the Commission is on the hook for - \$112,150 per year for four years. Ken Dorr added that Gabe's contract does not include that material. Ken Dorr also pointed out that his budget line item was quite a bit higher than his actual contract so it can be cut by \$5,000.

There are 34 dates in FY23 for the regular season trains, 4 special train weekends throughout the regular season (3 plus Oktoberfest). Allyson Bolton added that we are looking at a corporate event that would replace a special event date.

Chairperson Peterson asked a question about material purchasing. Could that come out of capital outlay? Or not because we aren't purchasing some physical piece of equipment. Ken Dorr's recommendation would be a separate track maintenance item for track maintenance material purchase outside of paying the train maintenance contractor. Create a separate line for pre-emergent.

Chairperson Peterson anticipates Visit Carson City being able to make the \$65,000 payment this fiscal year. As soon as we can clear the 2% amount in total room tax collections, they will be able to make that payment for this fiscal year which will be before the last week of June. Could these funds be used this fiscal year to help with this repaving? Did not budget last year in anticipation of having those funds. If we feel we need to do this as soon as we get the money from the CTA could those dollars be used to put toward this work? Treasurer Wells confirmed that we did not include any money from the CTA for FY23 due to the uncertainty of what the

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language revolves around - once the bonds are paid off where the money is going to end up going. Chairperson Peterson clarified that he was referring to this year – they will be able to make the payment this year. There will be an extra \$65,000 coming in May.

Vice Chair Mitchell added a few thoughts. Hesitant about cutting the shuttle completely from Polar. Not advocating for doing it the way it was done this last year but concerned about that substantial of change. Reducing the parking cost but one thought is something paired way down but still has potential to cover if we need some off-site parking. Concern is we are not able to accommodate the number of cars we need with the space we have there on-site, and we have no plan in place for how to get overflow to the Depot. Also raised the question of how can we improve performance on regular season trains? How do we improve the experience of the train ride itself so that potentially each leg of the trip has unique characteristics or different experiences that gives you something to look forward to on the ride back down? What if we were to put together a self-guided audio tour? Either through a website or an app we create, and you can trigger as you hit certain points along the track different historical information or points of interest – one set going up and a different one coming back down so different content. Not centralized where conductor is having to come up with a different spiel and you can engage as much or as little as you want at your own pace. What do we do to improve the actual experience of riding the train? Working with unique characteristics of the location of the train and the history of the train. Other thought is to have a small shuttle option to return to Carson City instead of taking the return train. Shuttle could also be used to pick up groups from a hotel and bring them to the station and take them back at the end of the day. Mitchell added that for every 5% that we can increase ridership during the general season it represents an increase of about \$21,000-\$22,000 in revenues. If we are looking for ways to increase our budget, that is a recurring potential source. If we can justify how we are going to get that increase in ridership that is what it buys. Mitchell also contemplating the number of times we are operating during the general season. Does not think that increasing the number of days we run increases revenue in a linear fashion. Create more demand by spreading it out over more trains. Running more trains during the regular season may or may not help our bottom line.

Treasurer Wells added that it is about \$15,000 per 5% (if move 55% to 60%) for just regular train rides, not including specialty trains. Having a shuttle can accommodate one-way riders both directions – either up to Virginia City or down to Carson City. Can put more people on one-way tickets. Not comfortable owning a vehicle and hiring a driver – find a company that would be willing to do that. Not sure how we would price it – wouldn't be built into the one-way ticket price we have now.

Mitchell suggested that it may introduce a level of complexity from a ticketing perspective that we may not want to deal with. If we can get the extra usage and ridership out of it, we don't have to charge separately for it – i.e., we standardize to the round-trip price, and you can come back on the train or you can come back on the shuttle. Becomes part of the cost to operate the system. Could be easy on the ticketing side – do you anticipate riding back the train back or do you anticipate riding back on the shuttle? To get an idea of potential demand. The VCTC was authorized to acquire a brand-new passenger shuttle. However, it will probably be in high demand when the train is running.

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Allyson Bolton proposed leveraging our partnerships with non-profits that already have shuttles – the Boys & Girls Club. Instead of having to maintain a vehicle and staff we could look at partnerships.

Commissioner Hicks adder her support of the audio tours – would be a unique experience to provide. Regarding the shuttle, maybe we figure out a way to launch as a pilot program. We select certain days and market it that way – this is a new pilot program, here’s your opportunity to go one-way and ride the shuttle back. Use the season as an opportunity to see what the demand really is before going to next step of purchasing our own vehicle.

Chairperson Peterson touched on the shuttle. We hear from visitors that they are concerned it is a long day. This would allow folks to exit off in Virginia City and just be brought back down rather than having to wait 3 hours for the train and then another hour and a half on the train. What if we could reverse engineer what happens today– shuttle people down from Virginia City to Carson City. Bring sponsors in from the hotels, DBA, some of the restaurants. Great way to get the small business participating in both cities. Peterson added that it would be cool if we could mimic Visit Carson City’s Kit Carson Trail virtual immersive experience. This would allow us to customize the visitor experience. Does not have to be limited to back and forth to Virginia City, even when we go into the canyon. Now you tie Lake Tahoe to Carson City and Virginia City – talk about the history of the area as well.

Mitchell added that Virginia City’s app has an audio tour voiced by locals. There are some really cool things we could do down the road (i.e., augmented reality). There are also simple things we could do right off the bat – a scavenger hunt for kids. We could hide something along the tracks that primes them to buy their Polar Express tickets. Advertising a return experience that will bring them back. May want to look at adding hot spots to the train because cell reception may be spotty. Ken Dorr added that there is record of what happened along the railroad track tied to the original mile posts.

Maybe the ARVR experience is something that the CTA and VCTC could partner on. That is a direct benefit to shared visitor experience. Do any of these things fall under the purview of State tourism grants? Yes.

The VCTC shuttle schedule will most likely conflict with when we would need it. Possible availability for the transportation of guests from the Depot to C Street if the trolley is not available. Could speak with Doc about scaling up because he has the structure in place. Could also have multiple shuttles down because it is not a long trip – earlier and later.

What we don’t spend this year, our ending fund balance, will be available for us to spend next year. One thing we could look at to try and do a pilot is pick some dates in September and October timeframe, that gives us time to find a way to do this, put those select dates on the website, and gauge demand for the full 23 season based on that. If a very limited pilot, we might be able to use an entity that wouldn’t normally do it on an ongoing basis – the Senior Center. Contract with a non-profit who has drivers. Parks & Rec has shuttles – Commissioner Hicks will

check into this. Not sure of availability given their programming schedule. The City's five-year strategic plan includes looking at the feasibility of a shuttle service for downtown area.

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST FOR PROPOSAL OF POLAR EXPRESS THEATER PRODUCTION SERVICES.

Expedited timeline due to Polar Express camp the last week of May during the May Commission meeting. Originally had presentations in May. But we need this company or this person to go to camp which is why we have proposals due before the next meeting, presentations with the committee identified today, committee would go forth at the April meeting to put in a recommendation of who to go into contract with. That person would potentially go to camp while in negotiations and vote on the contract in May. Allyson Bolton is the contact as Chairperson Peterson is traveling during this time.

Treasurer Wells not super comfortable with short timeframe. Too compact if we want to get other people outside of someone who has already done it to bid on it. More comfortable if he knew how we were going to get this out to potential bidders. Chairperson Peterson has a list of potential companies that do this type of work, Leah and Allyson will be talking with those folks before we release the RFP on Friday.

Treasurer Wells proposed moving the April meeting date. Combine April and May into a mid-May meeting. That way Allyson doesn't miss a meeting while at camp and the RFP timeframe can be extended a little bit. Hold the budget hearing for the end of the month because it will give the Commission the opportunity to have another dialogue at the joint May meeting before we finalize everything. The budget hearing must be in the last 11 days of May. Keep the 25th for the budget hearing. Push April meeting to early May – the 11th – discuss the tentative budget along with this RFP. Shift dates to make sure everything lines up – interviews the 3rd or 4th at the latest. Selection committee to go through the papers and come up with a short list. Full Commission sees the presentations as opposed to just the selection committee. Presentations to the full Commission on the 11th rather than a second date. Selection committee would take the written responses, create the short list, and the short list would be invited to the May 11th Commission meeting for presentations. Selection committee would score the paper submission and the full Commission would score the presentation. No short list if no more than 4 or 5 options, everybody comes to the meeting for evaluation. Skip the interim step so they have more time to apply. Commission members would get the packets of technical and cost proposals, review and score them, bring scores to the meeting, presentation would be second set of scores. Shift all dates around May 11th meeting – 14 days more or less.

RFP is broken down into different facets of production – (1) the actual theater piece – the onboard experience, the handing out of the things, managing the cast; (2) the hiring of the cast, the soliciting of the cast, managing their schedules; (3) the costuming, making sure everyone has the right costume; and (4) sound – optional. Bidder may include cost and scope to include sound, but it's not required of them to include sound.

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Treasurer Wells shared some technical comments regarding the document. There are a few typos. Section Two – background information. Would like to see 2.1 and 2.2 that define the railway operations team and the train operations team – later referred to as Depot operations team in 4.1.4. Define who those are. Now they know who they are working with.

Under section 5, Rail Events agreement does not go until December 31, 2026. Should be a provision that states this contract goes through 2026 subject to an extension of the contract with Rail Events through that date. The current date is 2024.

In section 6.1 and 6.2, all should go to Allyson Bolton.

In section 21, change language to “by the V&T Railway Commission.” Let Commission decide who would be the representation.

Back to section 2, because we have already defined RFP and the Commission in section 1 use the V&T Railway Commission abbreviation. Same thing with RFP.

Commissioner Hicks had a couple of other things to bring up. Under 4.1.1. add “reporting directly to the Operations Manager” so that chain of command is clear. Under section 5, what about a year contract with an opportunity to renew annually to 2026? May be a limitation for someone who is considering bidding. Proposed a 2-year contract with 1-year extensions beyond 2. Through December 31, 2023, subject to the extension of the contract with Rail Events, and with an option to renew up to 3 additional calendar years. Could be all 3 years at a time or single years one at a time. Would have to do a new contract with Rail Events at some point whether it’s an extension of one year or an entirely new contract moving forward. This language covers us in case we are not renewed or unable to come to terms with Rail Events contract. Make it its own sentence. Duration of contract and any subsequent renewals are subject to the extension of the contract between V&T Railway Commission and Rail Events, which currently expires December 31, 2024.

Vice Chair Mitchell curious about ambiguity in section 4 of 3 to 4 car production. Running a minimum of 3 cars, might have a 4th car, want to see both scenarios. Make cost proposal form for a 3-car scenario and a 4-car scenario. Add in background information – for 2021 we ran a 3 car Polar Express train. It is expected that there will be a minimum of 3 cars, potentially a 4th car, in Polar Expresses going forward. Should explain each type of car and number of passengers, what we think the 4th car will be.

MOTION: Vice Chair Mitchell moved to approve the RFP proposal for Polar Express Theater Production Services with the agreed upon changes or amendments. The motion was seconded by Commissioner Hicks and carried 4-0-0.

11. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

A. OPERATIONS REPORT

Chairperson Peterson noted that this was late material as well. It was posted to the website last night and is at the back of the room.

Operations –

The last two to three months have been internal maintenance - making sure that things have been moving along. Looking to finalize the 2022 general train and Polar Express schedules. Went up to Virginia City and had a two-hour meeting with Tom Gray to hash out what the new season will look like as well as talk about the new additional car for Polar Express and if it is feasible for our team. Brainstorming what special events will look like.

Continued coordination with Freedom Rail for the 2022 season. Had a call with Freedom Rail on February 14 – still reconciling 2021 numbers as well as their utilities payment. Looking to decouple their ticketing system from our ticketing system. The hope is that Freedom Rail can push a button and the 25% is deposited into our Fare Harbor payouts – is this before or after processing fees? Will it come with reporting? Will it be before someone has ridden or after? What if the booking gets cancelled? Looking to hand over keys to Freedom Rail soon – early next week. A special group is coming in in April looking to ride four rail bikes.

We have been working with different groups for special runs, one of which is a corporate client hosting an employee appreciation dinner. They are renting out the train, riding it to the Gold Hill Depot for a catered dinner and entertainment, and riding it back to Eastgate Depot where a shuttle will take them to their hotel. We are looking to secure a photographer to get photos as this is a new offering, potentially a new revenue stream. We are still determining costs on our side – team time, train costs, etc. – to bill the client accordingly.

Clay came down to the Depot and we looked at all sound equipment – what is currently installed, what is in the container, what was used for Polar Express, what could be used for the general season. He came up with some great ideas around outfitting the Depot in a more permanent way as to not have to set up and tear down year over year. Having something more permanent would benefit special events as well.

Goal is to be on sale by the end of next week – we are very close to getting final sign off from Tom Gray. Our team will push it live in Fare Harbor, coordinate with the trolley in Virginia City, marketing, etc. This is the focus in the next month.

For Polar Express, we are going to the Depot next week to finish inventorying and cleaning up for Mother's Day trains. Will take down all holiday décor. We are registered for Polar Express Camp in Durango.

Assets –

Have identified a vendor to come and repair the leaky water pipe. It will be fixed before Mother's Day trains. Will have an electrician out to the Depot, have some minor Depot improvements that we need to look at doing, consolidating like things into storage. We are

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almost finished; we anticipate being done on Monday after we finish up with Polar. We do need to coordinate with Carson City to get another dumpster to clean out the blue building – there is a lot of trash in the blue building.

Ken added that there are two file cabinets at Manhart that Gabe will bring to Eastgate.

Board Relations –

Have been focused on maintenance - coordinated special workshop, maintaining accounts payable, have been very involved with budget planning, working on track maintenance contract, the production RFP. Anticipate the same thing moving forward. Have a meeting with Tom Gray later today to begin discussion around the Virginia and Truckee Railroad RFP – consolidating four contracts plus the North Pole. The storage container idea is not feasible for the North Pole due to the size of the North Pole structures. Not worth taking them apart and rebuilding every year. Tom Gray is interested in putting on the North Pole again this year.

Marketing –

Gearing up on marketing campaign and media buy. Two billboards are up – no report of impressions yet. Called posters rather than large billboards. They are more affordable, will rotate locations over the next few months. General back to the track campaign and it is working – have received several emails about schedule. Working on digital ads now. Still having difficulty with Facebook. Trying to identify someone at Facebook to talk with. Existing page is owned by the page that was deleted. Will be running some tv as well as radio ads in April – 5 to 10 second spots due to limited inventory and high prices given it is an election year. Overall buy is around \$30,000 total. Will have more detailed report at next meeting.

B. TRAIN OPERATIONS REPORT

This is something new added for Tom. However, Tom could not be here today. Hopefully moving forward, we will have a regular update from Tom.

C. ATTORNEY’S REPORT

Mike Rowe reported that he will be joining the Commission meetings via WebEx moving forward to save expenses unless he is requested to be in person.

D. ENGINEER’S REPORT

Gabe and Ken will repair the standpipe next weekend. Gabe has been catching up on some work that has been deferred for the last two years. Gabe has been doing ballast regulating work, joint oiling program, knocking down high spikes, replacing bolts, retorquing things, general maintenance. Has been doing some rail welding – rail ends tend to break; some needed some work. The big item that really needs work is the Overman Embankment. This will keep settling forever. Tried to do it last year but ran out of time, had some equipment issues. In this fiscal year, Gabe had about \$32,000-\$33,000 of budget left. Since then, he has spent about \$10,000 –

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leaving \$22,000. We need to purchase some ballast, need to rent a work train and hopper car from Tom, tamping which is included in Gabe's contract, rent a liner from Tom which is not included in the contract, some ballast regulating, plus crew. Gabe's share of the work is roughly \$18,000. The remainder of the work, including material, work train, and other rentals from Tom, will be about \$10,000-\$12,000. Gabe will need a little money leftover in his budget for inspections and light maintenance in preparation for the season (roughly \$4,000). Ken asked if they could do work on the Overman this spring – cannot in the heat of the summer. Deferred doing work on it last year because it got too hot and there were logistic problems in the fall. Ideally, go in next month to get the service and lining done, re-ballast it, then come back again after there has been traffic on it to touch things up. Touch up work can be done again in the fall. Would like to get this work done before the season begins. Do we have flexibility in the budget to do so? \$22,000 left in Gabe's budget is not enough. Shortage is in equipment rentals and ballast purchase (about \$2,000). Maintenance of Way budget is more than just Gabe. Chairperson Peterson proposed having Tom bill the Commission directly. Or can we shift money from the Capital GL in order to get this done? Commissioner Hicks commented that the Commission needs to determine what the action needs to be as this is not an action item. Will it require the Commission to change something in the existing contract? No, the suggestion is to rent the work train, tamper liner, ballast car from Tom directly. Can we receive an invoice from Tom? Is there a budget item this can go towards? Treasurer Wells replied that because Overman Pit is in Storey County, the \$250,000 the Commission receives from Storey County can be used but it has not come in yet. This would be a legitimate use of that funding. We will already have to do some budget augmentations – this can be added. Not sure when those will take place – typically June. Will have to augment quite a few lines because there were no lines for Polar, quite a few lines that had zero budgeted but have expenses in them. It was decided that the work will get done before the trains start to run. This will hold us for four to five years; we can worry about a big reconstruction later on.

Gabe will begin to bill for railbike inspections separately moving forward.

E. UPCOMING MEETINGS

Chairperson Peterson read the following into the record:

- **V&T Railway Commission: Wednesday, May 11, 2022 at 9:00 a.m.**

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

13. PUBLIC COMMENT

14. FOR POSSIBLE ACTION: TO ADJOURN

Chairperson Peterson adjourned the meeting at 11:35 a.m.