

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY

Minutes of the Wednesday, August 24, 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, August 24, 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=2095

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

ABSENT: Commissioner Deny Dotson

1. CALL TO ORDER

David: Good morning, everybody. I'd like to go ahead and call to order the Nevada Commission for the Reconstruction of the V&T Railway. It is Wednesday, August 24th, 9:01 AM. We are here at the Carson City Community Center, Robert "Bob" Crowell Board Room. Could I get a roll call please, Allyson?

2. ROLL CALL AND DETERMINATION OF A QUORUM

Allyson: Clay Mitchell?

Clay Mitchell: I'm here.

Allyson: David Peterson?

David Peterson: Present.

Allyson: Stephanie Hicks?

Stephanie Hicks: Here.

Allyson: Jim Wells?

Jim Wells: Here.

Allyson: Deny Dotson, not present.

3. PLEDGE OF ALLEGIANCE

David: All right, thank you. We have a quorum, let's go ahead and do the Pledge of Allegiance please. If everybody could stand? Thank you.

Participants: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

4. PUBLIC COMMENT:

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David: Thank you, everybody. We will move on to agenda item four, public comment. At this time, the public is invited to comment on and discuss any topic that is relevant to or within the authority of this public body. Any public comment in the room? Seeing none, we will go ahead and move on to agenda item five for possible action, approval of minutes from the July 27th, 2022 meeting. Everybody's had a chance, I hope, to see that in your packet. Any comments or edits?

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES OF THE JULY 27, 2022, MEETING.

Leah: Yes.

David: Oh, go ahead, Leah.

Leah: There are two edits to the minutes from last month. On page two, the last line, it should say, "Move to approve." Then, on page 10, about midway down, it says, "We're going on cell rather soon here," and cell should be sale. Those are the only two changes to last month's meeting minutes.

David: Sorry, where was that on page 10?

Leah: About midway down.

David: Midway down?

Leah: I don't have an exact line number.

David: It was S-A-L-E, instead of--

Leah: It says, cell, C-E-L-L and it should say, sale, S-A-L-E.

David: Oh. Okay, cell. Okay, great. Okay. Are there any other? Great. Well, with that I'd be happy to entertain a motion on the minutes. Go ahead, Stephanie.

Stephanie: I move to approve the minutes of July 27th, 2022, with the changes noted on the record.

David: Thank you, Stephanie, for that motion. Do I have a second? Thank you, Jim. We have a motion and a second. Any further discussion? Seeing none, all those in favor, please say aye?

Participants: Aye.

David: Aye. Any opposed? Great. Motion carries unanimously, thank you. I appreciate that.

6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID JULY 1-31, 2022.

David: All right. We will go ahead and move on to agenda item six for possible action. Discussion and possible action regarding approval of the V&T statement of accounts payable checks paid July 1st through the 31st. The checks total \$95,515.29. No? Jim? Okay, no? [laughs] Go ahead then, Jim.

Jim: The check should be \$25,172.50 for the month of July.

David: \$25,172.50 to be precise?

Jim: Yes.

David: Okay.

Jim: I believe that the ones in that \$67,000 have to do with the ones that are for FY22. Then, the \$25,172.50 is those for FY23. There are two separate sets of numbers.

David: Do we need a motion then that just delineates those or not?

Jim: No. I would just note that they're--

David: Split between the two fiscal years.

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Jim: Split between the two fiscal years. Because you won't see the \$65,000 on the report in the next item.

David: Okay. Any questions on this item? Anybody want to make a motion? Don't all rush. [chuckles] Nobody? It's not normally like this, Nicolle. Normally, they're very eager to make a motion, the hands all go up simultaneously. Yes.

Clay: Raising hands? Who has time for raising hands? You've got to get that motion--

Nicolle: You could just push a button that says, "Raise hand." You don't even have to raise your hand.

Jim: Raise my hand. This is Jim. I'll make a motion that we approve the accounts payable checks for July in the amount of \$67,193.42 for FY22, and \$25,172.50 for FY23.

David: Thank you, Jim, for that motion. Do I have a second?

Stephanie: I second.

David: Thank you, Stephanie. Okay, we have a motion and a second. Any further discussion? Seeing none, all those in favor, say aye.

Clay: Aye.

Jim: Aye.

David: Any opposed? Motion carries unanimously. Great, thank you.

7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF THE ADJUSTED V&T FISCAL YEAR 22/23 BUDGET REPORT, PERIOD ENDING JULY 31, 2022.

David: We'll move on to agenda item seven for possible action. Discussion and possible action regarding approval of the adjusted V&T Fiscal Year 2022-2023 budget report, period ending July 31st, 2022. On this one, and Jim will talk a little bit about this, but we have adjusted revenue totaling zero and expenses totaling \$25,172.50. Jim, anything you want to add on this one?

Jim: The adjusted revenue for FY23, for the month of July is \$144,593.07. For some reason, the Storey County, I guess it will be the Treasurer's Office is responsible for the revenue side. The last update I have from them is, I think March, despite the fact that I have sent them everything for April, May, and June, and then I have not even seen the July bank statement. This is going to, actually, play into some comments I make for the next item. We do have money coming in, it's for some reason not being deposited. I do not believe our bank reconciliations are being timely submitted to us by the Storey County Treasurer either.

David: Thank you, Jim. On paper, we show zero, but really there's \$144,000 in revenue, but it's just, unfortunately, not showing up in the system of Storey County. Don't panic, I guess, everybody, that we're somehow in the negative. All right. Thank you, Jim. Any further discussion? Any comments, questions?

Clay: Yes, I'll just mention there's been some turnover in that office. Jim, I'm happy to get you the contact for the new incoming Interim Treasurer. As of middle of September, there will be a new Treasurer. He's also the person who's likely to win the general election and be the Treasurer ongoing from then onwards.

David: It might not be the same person, or one person's going to be interim and then somebody through the election?

Clay: It will be the same person. We appointed the person who won the primary, likely to win the general to be interim due to the resignation of the current Interim Treasurer.

[laughter]

David: Okay. No, great.

Clay: That's what I mean by, "There's been a little bit of turnover."

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David: Nobody really wants it. They're just interim, I get it.

Jim: Okay, that will be three this year. Nobody really wants that job.

David: It's tough up there, man. Okay, great. Okay, could I get a motion then for agenda item seven? Anybody wants to make one? Yes, go ahead, Stephanie, yes.

Stephanie: I move to approve the budget report for July 31st, 2022.

David: Thank you for that motion, Stephanie. Do I have a second?

Clay: This is Clay. I'll second that motion.

David: Thank you, Clay. We have a motion and a second. Any further discussion? Seeing none, all those in favor, please say. Aye.

Participants: Aye.

David: Any opposed? Motion carries unanimously. Great.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE SALE OF GIFT CARDS FOR V&T RAILWAY EXCURSIONS.

David: All right, moving on to agenda item eight for possible action. Discussion and possible action regarding the sale of gift cards for the V&T Railway Excursions. This is something that we talked about back in, I guess, January, February, of the strategic--

Stephanie: February of 2022.

David: February at the retreat. I know there were some issues with the accounting of the gift cards. I think there was a bigger concern because we were co-mingling the receipt of funds from Freedom Rail in Fare Harbor at the time, with our tickets for the railroad and the different train options that we had. I thought we'd just bring this back, have a bit of discussion on it. I know we've dealt with the Freedom Rail component, but I'm not exactly sure where we're at from the accounting perspective. That may still be a problem. I thought I owed it to the Commission to bring it back since we had discussed it and wanted to take a look at this again this year. I'll be quiet, and if anybody has a comment that they want to make, I'll open it up to my peers.

Allyson: If I might, David. Allyson Bolton for the record. Just to give a little bit more background on where we currently stand with gift cards. Following the conversation in February, we removed gift cards from the website, so we're not selling any. Additionally, cancellation of bookings for the general season. Historically we, the team prior to us was issuing a gift card or credit as the source of refund. Following February, what we decided based on that conversation was to no longer do that. We are, if they reach out to us within 72 hours, we refund them completely. We do not issue them any sort of gift card. The current gift cards that we have in the system would be from 2019 through 2021, essentially. That number with few exceptions, currently in the system, there are around 340 gift cards totaling \$45,248 and 76 cents. This is not including the \$25 gift cards that were issued post Santa's Village. Those were removed after one year of sending those out. What's currently in here is a combination of two things. First would be true gift cards that were purchased from the V&T. There was a large campaign in 2020 for people to purchase gift cards in lieu, since we weren't running. The second is these are, actually, a heavy percentage, they're not actually gift cards. They're credits from 2019, mostly Polar Express of patrons that had purchased, could not make it, and the team at that time then issued a credit or a gift card. We've currently had two to three that have reached out with their 2019 credit wanting to use it for their 2022 Polar Express. The clarification that the operations team is looking for is two

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things. The first is the sale of gift cards, because that's the other call that we're getting is, "How do I purchase gift cards?" Then the second is how do we want to handle the current \$45,000 that's sitting there? Particularly the ones from 2019 since they are so old.

David: Can I just ask a question? The \$45,000, how does that break down between the credits from 2019's Polar Express versus the campaign from 2020? Because we weren't running the train. Do you, is there a way to even see that or not?

Allyson: We could probably pull a date range search that we are quickly doing here for you.

David: Then, while you're looking at that, not to hit you with a whole bunch of questions, but is there an expiration on that? None of-- Okay.

Allyson: There is no note of expiration on the actual gift card. Well, it's an electronic card, so they received electronically. I don't believe there was any note of expiration on that.

David: That, Leah, does that include the 2019 credits from Polar?

Allyson: I think it's all. There's no differentiation. The email they received does not say, "You've received a credit for-

David: Months or. Yes.

Allyson: -your rebooking," or whatever. Versus a purchased gift card is the same-

David: I see-

Allyson: -templates.

David: Then, and just one more question, because we've increased the pricing for the train rides, then they're short.

Allyson: Correct.

David: This creates our issue from before, they still have to pay cash or a credit card or something in order to, actually, purchase the new ticket?

Allyson: Correct. The 2019 gift cards, there's 180 gift cards totaling \$23,402.74 cents for 2019. This is just dated 2019.

David: Then about \$22,000 is from the campaign to sell the actual gift cards, not credits, but gift cards because we couldn't run the train in 2020 plus or minus.

Allyson: The remainder would be a split between 2020 and 2021. Any gift cards in 2021 for, I would say about 80%, they were purchased.

David: Purchased. Okay.

Allyson: The operation of admitting a credit in lieu of riding, we did away with that. We have a no-refund policy, except 72 hours or extenuating circumstances, such as a COVID-19 positive test result.

David: Yes, but these pre-existed from even before any of us?

Allyson: Correct.

David: Go ahead, Jim.

Jim: Do you know how many of those are from prior to June 30th of last year?

Allyson: We do.

David: Most of them should be.

Allyson: 258 gift cards totaling \$33,119 and 14 cents.

Jim: That was my concern. I'm going to start with the selling of gift cards. I'm going to be a complete no on this one. We are not a big enough organization and do not have the technical capacity to do this. This is a very difficult thing for pulling out this information. It was extremely difficult to do the revenue calculations last year for Polar Express, because the only way to do it is to map things to sales prices. You can't do that when

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all of a sudden there's dollars missing because they don't show up via these gift cards. From an accounting perspective, that number that she just read does not match the number that was on the June 30th, 2021 financial statements. Therefore, we were not keeping track of it prior to June 30th of last year. Even though we may have a better number and a better handle on it now it is a very difficult proposition without an accounting staff that can handle it. Frankly, last year I did it, most of it. I don't have that free time to keep going through and figuring out how much of this goes to gift cards and how much of it should be sale prices. It's too much time. Unless we want to hire a full-time bookkeeper or equivalent to do this, I don't think that we have that capacity at this time to do that. For as far as going on sale or selling gift cards, we're not that sophisticated of an organization to take on that additional task. As for the amounts that are already out there, I think that we have some obligation, but I don't want this in perpetuity obligation. We have to figure out as an organization, what are we going to honor for those gift certificates and credits that weren't necessarily approved by the Commission even. If they were giving refunds and giving them out as credits when we have a no-refund policy, then that was an administrative decision that probably not come in front of this Commission. We now have an obligation on the books for these credits and gift certificates that we need to figure out how to handle. As far as I'm concerned, there should be a finite time. You do not carry this money in perpetuity, but then there are some also some escheatment rules for technically not honoring these credits and gift certificates. That's another thing, I don't think we are sophisticated enough to deal with this escheatment rules to the State Treasurer. I think that we need to be super careful with how we deal with these. I'd like to get them off the books sooner rather than later, and not deal with them going forward.

Allyson: Just a quick point of clarification, the no-refund policy was new as of August of 2021. Prior, you could call day off and you could get a credit.

David: We changed that last summer.

Allyson: Correct.

David: As of part of this issue, what did you call that escheatment? Is there like a state law on that that you have to allow somebody so many months or years to--? How does that work?

Jim: I'm not super up on all of the rules. Basically, if you buy a gift card and never use it, it's not your money. It's the money of the person who bought the gift card and you turn it over to unclaimed property, and then basically, they can go and get their money back through the unclaimed property process.

David: Look, is that something maybe Mihaela could look into? Is she's shaking her head, Jim? No laughing. She's like, "Yes, I get something to do."

Clay: Let's start with the simple stuff.

David: Yes, escheatment laws. Seriously, maybe that's something we look into and figure out if that naturally would clear up at least maybe the 2019 stuff. Because those are credits, right, not somebody paid.

Jim: I will tell you that the state is exempt for escheatment. We are not a state organization, but we are this oddball organization that is somewhere in between. Not a state organization and not a private one.

David: Yes.

Jim: I don't know exactly whether we would have to comply, but I know that those unclaimed property rules are out there. If you're a private company, if you're a retailer, and you sell gift cards for Christmas, and nobody used those after a certain amount of time, those get turned over to unclaimed property. They do not stay at the organization. They're not the organization's money.

David: Go ahead, Stephanie.

Stephanie: Does it make a difference if there's an expiration? Does that change that requirement?

Jim: Yes, if there is an expiration, then, of course, the organization is saying, you have to use this amount of

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money within a certain period of time. I do believe that if you do that, that it changes the unclaimed property rules. Again, that's, I'm not super familiar with unclaimed property, I just know it's out there.

Stephanie: Jim, on your comment about not going forward with gift cards in the future, if we did an expiration, like it was based on that season, like you can buy a gift card, but you have to use it by the end of the season. Would that change your thoughts on whether or not we would do gift cards?

Jim: No. [chuckles] Well, let me backtrack. Until we know what those escheatment rules and unclaimed property rules are, no. It still doesn't make accounting for the transactions any easier, and that was a big chunk of the problem last year is that the way you have to really do this is very tedious and time consuming. You have to pull information out of the system, and then you have to, basically, assign ticket values based on the ticket that they bought.

Last year we had adult, children, early season, late season, Deluxe cars. There's all these, and that's in addition to just the normal tickets that you're selling for the-- Because right now we're selling both Polar Express tickets and regular season tickets still. You've got the regular season tickets one-way, two-way. You've got all this information. The only way to gross your revenue is to assign it these ticket values. Then, when you're looking at the amount that's getting deposited in the bank statement, all of a sudden, it won't be there, or it'll be too much because they've bought these gift cards, and so you've got to pull the gift cards out and put them somewhere else, or you've got to take them and add them back to the revenue. We're not an organization that has a complex or a sophisticated enough accounting staff to be doing this.

David: Clay, did you have a question?

Clay: Yes, couple of questions, couple of things. Is it possible from an accounting perspective to treat these credits and gift cards as discounts off of a purchase price as opposed to a credit that's booked as revenue? In other words, a discount code, so it reduces the price of the sale, and as such, the revenue is booked already when the credit is issued, as opposed to when the ticket is sold?

Jim: Part of the problem with that is that the way we have to pay royalties on the Polar Express is on the full ticket. It doesn't matter that you use the gift card, or you paid with a credit card or cash, you have to pay royalties on that whole ticket price. You can't really do that; you have to gross them back up to pay the royalties on the sale price of the tickets for Polar Express. That became another part of the issue, is that you are having to deal with the royalty calculation and reporting to whoever it is. I can't remember, we have too many rails. Rail Events.

Clay: To Rail Events?

Jim: Yes.

Clay: Great. My second question is, do we have contact information and ability to contact these people?

Allyson: We have about maybe email for half of them. The more recent ones, yes, for the most part. 2019, a little more scarce.

Clay: Okay, thank you. One of my concerns and I fully acknowledge the difficulty and the complexity of dealing with gift cards, as Jim has pointed out. There's a concept with businesses that from a sales and marketing side that when you start making decisions for the organization based on what's good for the organization, as opposed to what is good for the customer, the organization's in trouble. We're looking at fairly slim differences between our revenues and our expenses. Looking into the future and the continued viability of this organization, I am hesitant to make a decision to discount a potential revenue source out of hand for an internal reason. Now, that doesn't mean that the current situation is tenable or sustainable, but that to me is the counterpoint to just saying no.

Jim: I would concur to a point. Most organizations that have gift cards have a lot more robust administrative

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capacity than we do. Last year, I did it all, and I don't have the capacity to continue doing it all. If we want to continue doing gift cards, then that means hiring someone to do this work. There's a cost associated. There's a direct cost associated with the continued complexity of an organization. You have to add more administrative costs to cover that complex work. If the Commission wants to go forward with adding gift cards as-- and it's not just gift cards, it's the more complex you get, the more administrative overheads there really is to run the organization. The Commission needs to be cognizant of that, and if that's the direction they want to go, they need to understand, and add the administrative capacity to do it.

Clay: Yes. Well, and there are two pieces to it as well, because a credit as a refund is not additional revenue. That's a customer service issue. You can't really say that that's additional revenue to offset the cost of administering. If we look towards offering gift cards, there has to be additional revenue coming in to offset that, that covers both the operation, the cost of the goods or services that are delivered and the administration. If not, it's not worth doing.

Jim: I will tell you, the other non-profit that I work with, that does tours, so to speak, it has a no-refund policy, and we're pretty strict about it. We have made a few exceptions. I think that some of them are COVID exceptions that we've made, if people notify us that they cannot attend, because they've come down with COVID. We'd rather they didn't bring it and spread it to the other people on the tour. We have accommodated a few of those, but in general, we've really stuck hard to the no-refund policy, and we have done it. If you do it, if you get a refund or call within-- and you've got to call beforehand, if you call after the fact, we are pretty much, "Well, you knew when your tour was, and sorry, we considered it a donation to the non-profit. You can write it off on your tax return." We've tried really hard also to keep it within the operating season. The only exception would be that last weekend of the operating season where we would make some exceptions for doing it in the first one, but tracking it and maintaining it, even for that and we have far fewer tours and far fewer tickets per tour, it's a lot. It's just a lot to keep track of and remember who's got these credits and who's doing it. That's why we've really tried hard to stay to this no-refund policy, because the complexities that it adds, we are not big enough to have the administrative capacity to handle it.

Allyson: I have a quick question, just a point of clarification, Jim. When you say the capacity of the team, is it the payout reports? The reason I asked that is because I know our team was also going through and doing payouts, and for the most part, we matched. I'm guessing I'm just wondering the clarity point on which part is the line.

Jim: You're right. Leah was doing a lot of it, and I think by the end of the season, we were getting closer to having it done. For me, that's also a lot of work for you. It's work that the Commission is paying for, whether-- Actually, they're paying for it when you do it, when I do it, it's getting done for free. That capacity, there's costs associated with it at \$125 an hour for us to break those out. I just don't think that that is a good use of Commission resources. There's already going to be this complexity without the gift cards, because of the way the Fare Harbor payouts work, because of the way you need to do financial reporting. Grossing things up and accounting for the discounts that are paid to Fare Harbor for the processing and credit card discount fees, it's already complex enough. Adding this in just to me is not worth the little bit of money that will come in through this gift card process.

Stephanie: Thank you for clarifying that.

David: Should we look to Mihaela to take a look at dealing with the 45,000? In some capacity, come back around on that as to even if we can expunge that or get it off of our, I don't know, that's on our tables or whatever. Before we start a new or even thinking long-term about getting into the gift card business, because I feel like we should deal with the issue that we already have. I should separate, sorry, the credits from the

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gift card purchases because I think it sounds like we're going to have to maybe treat those two buckets differently. I don't know how everybody feels. We'll have to come back and we're going need to give you some time to take a bite out of it? Go head. You had a-- Yes?

Mihaela: To deal with sales of gift cards in the future and not with the outstanding amount that we have for the gift cards from 2019. Obviously, I would need more information in regard to what occurred in that circumstance before we come back in front of you with a proposal.

Jim: I would agree that the agenda item is pretty specific as to whether or not we go and sell gift cards going forward. My concern is, and this is just more of a discussion item, because this is an amount that's going to end up on our financial statements. It needs to be provided to our auditors whenever Suzanne and company want this information. I know that I have one set of records, that as of the last time I checked did not match the county records. I am way more comfortable with my transaction register because I matched it to the bank statement. The audit that is going to occur, this liability is just a whole other issue. At some point, yes, we are going to have to deal with that particular issue. Mihaela is right, the agenda item today is pretty specific.

David: Cool. Yes, you can ask as many as you want.

Stephanie: Just one more question in regard to the demand of requests this year. Are we really seeing that many people that are asking for gift cards? Or is it really a result of what we had to do in the past because of credit?

Leah: We received, I would say, a handful of requests around the holidays last year. Since then, I have not gotten any requests for gift cards. I don't think the demand is necessarily high. We did sell a good amount, a decent amount last year around the holiday, but in terms of requests, not really.

Jim: Yes, we tried to nix that too because I found out about that late. Let's go back to the whole customer service aspect of this. When we sold the gift cards before, there was kind of this thought that you could use them for any of the services provided out at the Depot. You could use them for a regular season ticket, you could use them for a Polar Express, you could use it for rail bikes. Well, that's true customer service. If you buy a gift card from the V&T Commission, you get to do anything that's out there. Well, that becomes even more complex because you've got this whole separate accounting for the rail bike revenue than you do for the train revenue. It's one of the things if you want to have a bigger, longer-term discussion about gift cards, how does that really work? How do we make it so that somebody who buys a gift card can use it for anything that's out at the Depot? That's true customer service.

David: That's a fair point, Jim. Yes, I agree with you there.

Clay: Yes, we can even offer the true V&T Rail Commission experience, where you can come and sweep the Depot. You can really feel what it's like to work on a Rail Commission project.

[background conversation]

David: There we go, put some ballast down. Oh, my gosh.

[laughter]

[background conversation]

David: Wow, well, they do that at the Railroad Museum. They have that whole--

Clay: Yes. Out in Ely too.

David: Wow.

Clay: Yes.

[background conversation]

[laughter]

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Clay: Sure.

David: Well, that's a revenue opportunity we haven't thought of until now. [laughs] How that came out of gift cards? I love it. Go ahead, Allyson. Yes.

Allyson: It sounds like we'll be bringing this back at a later meeting. I believe I know the answer to this question because of the way that the agenda item is listed. Is the Commission able to offer any sort of clarity? We do have incoming requests about the use of gift cards for Polar Express. You'll find out under my operations report, we are 57% sold out at this point. My concern is if we wait for a month to answer these people, that we would be potentially sold out, and they wouldn't be able to get a ticket.

David: Oh, yes. Go ahead, Jim. Yes.

Jim: I am very fearful of the Commission taking an action on an item that is not appropriately agendized. Right?

Mihaela: Not necessarily. I think it says what you would like to do in terms-- If we go back to the agenda title--

Jim: Sale of gift cards.

Mihaela: Allyson's question is?

Jim: What to do with the credits that are on the books that people want to use for this?

Mihaela: Is that what you were asking--?

Allyson: The current gift cards that are on the books. If we're allowed to apply them or not?

Mihaela: Yes, and that is not.

Jim: I am loath for the Commission to make any kind of a decision or determination. As a practical matter, there are existing credits that should be honored.

Clay: Yes.

David: Yes, I would agree because we haven't said no to those yet. I think for both the gift cards that the people purchased last year and part of 2020, and the credits, we never made a decision to eliminate them. I say we let the people use them, and then, Mihaela, you will help us figure out this escheatment situation and its applicability to us.

Mihaela: If we can bring that to maybe the next meeting as an item.

Clay: As a general rule, is guidance to staff considered an official action of the Commission? If we're not making a motion to, actually, do anything?

Jim: It's why I was careful to word it that way. [silence]

David: Well, I don't think of it as new guidance. Those credits have been--

Clay: No, in this case and I'm just thinking, in general, if the outcome of a discussion is, "Staff go ahead and do this and we'll bring it back if and when we need official action." Is that considered taking action on something that doesn't- [crosstalk]

Jim: It was agendized.

Clay: -fall under the purview of the agendized item?

David: Great legal question.

[laughter]

Mihaela: I would say yes.

Clay: Okay.

Allyson: To be clear, in the future, I can ask for guidance, but not a decision?

Mihaela: Right.

Allyson: I can ask for clarification.

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Mihaela: On items that are not on the agenda, during a meeting, no. You cannot ask for guidance at all.

Clay: In the future, you might want to consider broader descriptions of what the item on the agenda is, so that we have a little more leeway in what we discuss.

Allyson: Thank you, Clay.

David: All right. I think we beat this up pretty good. We're not going to really make a decision today about the future sale of gift cards. We will come back and address at some point next month or following this 45,000. I think we need that--

Mihaela: If anybody wants to make a motion on that item whether to reintroduce the sale of gift cards, and if everybody's opposing it, the motion doesn't carry. That will be clear for the record.

David: You would like us to--

Mahela: If anybody would like to make a motion. Nobody wants to make a motion, I guess that will be--

Clay: What's the current situation? Are we currently selling gift cards?

David: No.

Allyson: No.

Clay: Then, I don't think a motion's needed because we're just continuing the status quo.

David: We'll just consider it as a discussion. We won't take an action. Mihaela, if you're okay with that?

Mihaela: That is fine.

David: Okay, all right. Does anybody have any last-- Yes, go ahead, Jim?

Jim: One of the things you might consider for some of these agenda items as you're creating, is discussion, action, and direction to staff. We've used that before.

David: Does that give us flexibility, then if we don't make an actual motion, but we could give some direction to Allyson and the team in the meantime?

Jim: It still has to fall within the purview of what that item is.

David: Commission. It's okay.

Jim: The direction to staff would be not to sell gift cards or to continue not selling gift cards in this case, but it still would have to fall under the purview of whatever the after that says.

Clay: Of course. Technically we don't have staff. Do we?

[laughter]

David: Our vendor numero uno or something?

[laughter]

Clay: Golly. We're an odd duck.

Jim: I got oddball, odd duck. [laughs] Wow. Glad that I got appointed to this--

Clay: Can we just write our own rules because we're not really a State Commission?

[laughter]

Clay: Can't we just--

Allyson: Don't answer that, Mahela. [laughs] Unless the answer is yes somehow.

Clay: All right.

David: I heard her resounding no from way across the room.

Jim: She's going to slowly move next to you.

David: All right. We'll close up eight. We know we've got to bring this back and we'll have some discussion about the preexisting credits and gift card balances for people.

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING DIGITIZING V&T

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RAILWAY HISTORICAL FILES AND DOCUMENTS.

David: We'll go ahead and move on to number nine for possible action. Discussion and possible action regarding digitization or digitizing, excuse me, V&T Railroad historical files and documents. I want Allyson to talk through this. This is a way bigger chunk of money than I, actually, thought digitizing records was going to cost the Commission, which is why it's on the agenda today. Go ahead.

Allyson Bolton: Thank you. Allyson Bolton. I'm going to give a little brief outline and then, actually, pass it to Leah St. Marie who's been taking the lead on this project. Currently, we have lots of documents that need to be digitized. Before we came on board, the digital process of keeping wasn't really existent. Before that, it was hard to copy off everything. When we came to the Depot, we started organizing it and trying to see how big of a project this would be. Leah has specifics, but we are looking at several thousands of dollars. It is something that we wanted to bring to the Commission to have a discussion around to see if we should be moving forward with it. On that, I'm going to give it to Leah, and she'll give some specifics on how many documents we have and some of the true numbers on the pricing.

Leah St. Marie: Thank you, Allyson. I reached out to a couple different digitizing services, and the one that was most responsive came out to the Depot and looked at everything that we have. Both the stuff in our office, as well as almost four file cabinets that Ken dropped off that we're at Manhard. I'm trying to find the quote. He estimated based on everything that we saw there, it was about 30 banker boxes, and they charge roughly \$200 per box. We're looking at about a total of \$6,585, approximately for all of those, digitizing all of that and keywording, and putting it on a drive for us. That's where we're at. The other ones I received were much higher than this. They were only for our files, not Ken's. Then they were around that same amount. This is the best "deal" that I found. Yes.

David: You got to come up, though, Gabe. Just a quick question. This is exclusive of anything else that we do need to get from Mike, though, as well. You guys were kind enough with your intern program to take the first set of records in your car, but there's still, I think one or two cabinets left at Mike's, I believe, that we couldn't get until I think after we terminated the legal agreement with him.

Stephanie: That's correct. We just got the first few boxes, which we have scanned. Our intern scanned for us, but we do need to go back and get the rest. Then I plan to just cycle through if we have extra time with our office staff to do that. That will take us considerable time to just fit it in between things, but we'll handle those from his office.

David: That is the difference of months or this fiscal year, just for those files versus these boxes. How long would it take these folks to do it? A month or?

Leah: He said it would take about a month. Yes.

David: A month.

Leah: Amount we have.

David: Sorry again. I didn't mean to cut you off. Go ahead.

Gabe: I also have a question. Does this include the conexes, Allyson?

Allyson: This does not include the reefer truck that we have sitting out on our property. This is just the stuff in our office, as well as the stuff that Ken delivered, or Manhard delivered.

Gabe: Oh, good point. One of the conexes, right, that's a scary place to go into. It's also--

Allyson: It's an old refrigeration truck that was donated to us. It currently has historical pieces found on the railroad, as well as I don't know how many boxes of files currently. It's not an environment that a person could go into. We would need to hire a service to come in and clean it before we'd be able to access those

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boxes. As far as I know, it would be 2017 files and prior. I believe the files that we have are 2018 to current.

Ken: What's in the conex box is the records that go back from the creation of the Commission back in 2001, 2002. Those are what is, primarily, in the conex box if you will. There's also miscellaneous storage items here and there, but they weren't engineering items per se. Now, what staff added to those or administrative over the years? I'm not sure what's all in there.

Allyson: Ken, is correct. There is an additional container that has, I would say five to six banker boxes of files.

David: Is that separate from the refrigeration truck we talked about?

Allyson: Yes.

David: Oh, but that's not in the 30 boxes.

Allyson: Correct. It'd be an additional,

David: There's another, \$1,000 to \$1,200 of cost to if we wanted to digitize those records too?

Allyson: Correct. Part of the digiti-- Yes. Digitiz--

David: It's a tough word.

Allyson: [laughs] Is they will categorize everything, file it as such, keyword it, so forth. There wouldn't be time on our end to then take those files and put them in an organizational matter that makes sense. However, it would require some time on our team to get it a little bit more organized than it is. Currently, it's in the four buckets in which we're paid assets, board relations, operations, and marketing is how we've categorized them. It would need a little bit more putting the same years together, and so forth. They have asked us to do that.

David: Then, do they put that on a terabyte drive?

Leah: Yes. Part of that cost is going to fall on a terabyte drive and given to us.

David: Then would we back it up on that box thing too so it's in the Cloud? Just, is that drive?

Leah: Yes. That's what I proposed. Yes. Unless we have somewhere else, we would rather have it or multiple. I guess up to where we want to put it.

David: I would offer to fit it on the H drive, but if it's a terabyte, then they're going to freak out.

Leah: Absolutely.

David: Hopefully, you're not listening IT.

Allyson: We should have the capacity on the Box.com account to be able to list all of it. Currently, the way that that is organized is, essentially, we have archive files that are unorganized, and then anything from May of '21 moving forward that is now organized by fiscal.

David: Got you.

Ken: I can volunteer a little more time and it won't cost the Commission to go through some of the Manhard files to see if there's some of those, which are pretty much irrelevant. I went through a bunch of them before, and I didn't feel you guys needed copies of invoices, if you will. I canned a bunch of those things previously. There's some maybe rough organization that I could probably help out with that these guys probably are going to go, "What the heck is a structural report versus a geotech report?" I can take care of that. I won't charge the Commission for my time. What I would suggest to consider, all through this process, when we did construction phases, we gave copies of the construction plans and right of way plans to the Nevada state archives. They said, "By all means, we'd like to have these." Just as a thought, in case the Box blows up or someone decides to eliminate it, maybe when you're all done with this, give a copy of all those documentation to the state archives in case our grandchildren want to research how we screwed up this project.

[laughter]

David: Go ahead, Jim. Yes. [chuckles]

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Jim: I think the first thing that we need to do as a Commission is adopt a record retention policy, to figure out what we need and how long we need to keep it because as Ken referenced, there's some invoices out there that probably have a much shorter lifespan than some of the original organization documents that are out there. That's one thing I think that we probably need to do as an organization, is determine what our records retention policy needs to be, and then that will drive what we need to keep on this disk. I would certainly want it backed up twice, I would want to make sure we have it at least in two different places, we have to be careful of what we have. I think you're going to have some duplication of records when you get Mike Rowe's stuff, and stuff that is out at the Commission. I don't know that I want to necessarily task Stephanie and her office with doing it when we're already doing it out here. I don't know that we necessarily know what we have, and what's duplicative information, so that would be one place where I would want to look. The records retention then would dictate what you need to scan. There may be boxes of this stuff that then do not need to be scanned, because they do not meet the records retention requirements, or they're already past the records retention requirements, and there may be stuff in this trailer that needs to be digitized, and I am 100% in favor of doing this because I think we're a small Commission, and there's no staff. we are really looking at something that can be handed down to future Commission members and potential-- If the Commission and the railroad last as long as you think it's going to last, way beyond the contract that we have with Atypical, way beyond the lifespan of the people who are sitting in this room. I think that we need to be cognizant of having all of that stuff in a place where future generations even can see what the organization documents are. I'm 100% in favor of doing this. I just think that we need to take that first step, and that is to determine what our records retention policy is so that we can guide this process of what we're going to digitize and keep and was no longer necessary for the organization that we would have just thrown away, to begin with.

David: Jim, would we fall under the State records retention policy by virtue of us being a State Commission? Could we use that as a starting point?

Jim: You could definitely use it as a starting point. I don't know that we would necessarily be required to follow it, but I think it would be a great starting point.

David: I like your idea because that might eliminate some of the cost.

Leah: Exactly, and part of our plan when organizing-- The prior team, there are some files in there that are like paper with contact information on it that does not need to be obviously digitized, and so that was going to be part of our process, but it would definitely be helpful to have some guidance in terms of how long we need to keep some of these things and what is beyond that, so absolutely.

Jim: I just took a class on nonprofit organization and tax reporting for obvious reasons for my other non-paid day job, but part of that did have a rough records retention policy in it. I don't remember exactly where it was and which one of the two classes it was in, but it did roughly say, "This you keep forever, this you keep for seven years, this you keep for five years, this you for three years, and this you keep for one year," and some of it dealt with contracts, things that you might think you need to keep forever. There's obviously some things that we should keep forever. There's some organization documents that we should have the legislation, of course, goes through the LCB, but this will give you some rough ideas, too, if we wanted to use that as opposed to what the states is because they're really complex.

David: If you find that you could share that. Yes, okay. That would be great. Ken, thank you because I think if you're willing to go through the four cabinets, that would be great, and then eyeball some stuff in there. We need to figure out, Mike and getting those records as well. In case to Jim's point, maybe we do have two copies in place, so maybe one of us can reach out and figure out if we can pull the cards up again or

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something. For today, for this item, do we want to work through the records retention, get that in place, and then have Ken do his part, get the records from Mike because I think it'd be great to get to the point where we have these 80 boxes or whatever. 40 boxes are what we know we need to make into digital copies and then work on a quote at that point. Is that fair?

Leah: That sounds great. I think the other part of the retention policy that will be helpful is what we actually need hard copies of as well. If we need any, I think I am on team get rid of everything, that would be the hope, but I guess I just want to make sure, or maybe there isn't any rule about keeping anything, it'll clear up a lot of space. I think I'd prefer that, but I just want to make sure we're not throwing anything away or shredding anything, because that's also part of this quote, too, they'll shred everything for us as well.

Jim: Most, I believe, of the State records policies allow for this digitization without the maintenance of hard copies. The one agency I was in, we literally only kept hard copies for 30 days. They were all scanned and indexed and then destroyed inside 30 days and the 30-day window is just to make sure that they were scanned properly, so there is not to my knowledge a requirement that the documents be retained in a hardcopy format.

Leah: Fantastic.

Ken: That's great. Can I just ask a question? Can some of the materials that were in the filing cabinets that you have brought over from Manhard, there's probably plans, so are those included in the scanning? They are on those big 12-18s, they shrink them down and **[inaudible 00:56:24]**

Leah: Yes, when he did his estimate, he looked at everything. We pulled out all the drawers and he didn't rifle through everything, but he's assessed everything that we have, and that's what the quote is based on.

Ken: There's very few full-size plans. Most of those were all done electronically, so we have PDFs of them and or the original AutoCAD files, which we've already got digitized.

David: Oh, perfect.

Ken: That's what I thought when I went through Manhard, that I was going to find gobs and gobs of full size over large plans, and there was hardly any.

David: That's great. Any anybody. Go ahead, Clay.

Clay: Yes, I was wondering if maybe we could have a brief discussion on impact, benefits of doing this just because what we're discussing is an unbudgeted expense, and so I think that would help us get an idea of urgency and help us prioritize how quickly we need, or the long-term benefits are clear. The question is in the short term, what are the benefits? How much do you need to push to get this done quickly?

David: Excellent. Yes, Jim. Go ahead.

Jim: One, I would say we're in a period where we've got a lot of one-time money, this is probably a perfect use of a one-time revenue source as opposed to paying for ongoing stuff. I would be more comfortable using one-time money that we're getting flagged for the sale of property this year to pay for this because that is not an ongoing revenue source, it's going to be there, and frankly, I see the long-term benefits of this, but I also see the short-term benefits of knowing that we have this stuff, knowing that if there's a leak in the roof at one of these buildings that we don't lose every record that we've got. To me, this should have been prioritized a decade ago, not now. For me, this is not just about the paper boxes that we have, but it's about making sure that the stuff that we have on boxes is backed up to-- There's a copy if something happens and that contract goes away or that company goes away that we have a full backup of every document that is necessary for the operations of the organization. I don't think you can overemphasize the importance of maintaining your records.

David: **[inaudible 00:59:08]**

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Clay: What am I thinking?

David: Only you can tell us that.

Clay: Yes, I'm accessing the digital files that may or may not have been properly filed.

Jim: Are you faxing those to your telegram?

Clay: Yes, Pony Express. Certainly, as a contingency plan, I guess what I'm more specifically asking about is are there known day-to-day, or week-to-week, month-to-month needs to access information, are we not finding things that we need to find? So and so forth, because I don't disagree with the benefits as far as contingencies, what ifs but based on what we're doing, our activities as of right now because to me that's more of the-- Certainly there's a risk because we have not done it yet. That's one bucket of potential benefit, but the other has to do from an operational perspective, do we gain efficiencies or is that dependent on if we actually need to access this information?

Jim: Let me give you a real-life example that just occurred. We had no bank statements for two years or multiple years that had a \$300,000 liability on our books that we could neither confirm nor deny. Had we had these records digitized and could have gotten to them in a very quick manner, we wouldn't have spent untold hours of time looking for those records and coming to the final determination. Yes, we owe Storey County \$320,000--some. I think that's a perfect example of the benefits that we get from having this done sooner rather than later.

David: I would add to the legal side of everything. The previous, I don't want to call them contracts, but agreements. This has been challenging to say the least trying to the stuff from Mike but trying to go through boxes. That was several months of my time too, just trying to find the document. The financial stuff, Jim is absolutely like there's nothing except for boxes of files that are not necessarily, I don't even know that they're properly categorized to begin within the boxes. It's like everything was just thrown together. You're looking, thinking you're finding it one place. Nope. 12 boxes later you find the documents and something that's not even labeled for what it was [inaudible 01:02:02].

Leah: You are correct. Some are just boxes. There are some binders though that are organized. For the majority, no.

Ken: Yes. Again, look at how many people have had their hands in this. The best organization system that was ever done was by Norm Williams, who was the first director of the Tri-County Railway Commission. Ever since then, it's been a very haphazard. You've had half a dozen people, and then engineering's different than administration. Yes, stuff's all over the place. We've spent over 30 million on this project guys. Save the records is all I can say.

David: No, I agree. For me, I think it's about holding, like you said, engineering records, financial records, legal records, administrative records, the actual plans of the railroad, just trying to get this centralized in a repository I would call it, and then the ability to look those documents up for the teams. I think also for us as Commissioners, to be able to see that information, because we have our open meeting laws about sharing stuff, but if we had access to something. "Jim, oh my God, he needs the files from 2015, because now we've got another issue about a payable--" Boom, he could just go in look that up. I think there'd be some efficiencies that we would recognize all of us, to be honest with you all the vendors. Yes, go ahead Stephanie.

Stephanie: I agree with everything that has been said, I would just add to it that you never really know what you need until you need it. I think having this information available to us in electronic format is going to be a huge benefit. I think just speaking from experience coming onto the Commission new, not having the knowledge of the background and the history of the V&T and the Commission itself, had it been readily available. For me, I could have spent time looking at some of the questions that I had before whether

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discussing it with staff or with other Commissioners. I just think it would be valuable for us to have it. That's why I did volunteer for our office to scan everything that came from Mike. It's so far, what I've seen is very organized. He's got files set up and labeled. We're just scanning those in the same naming convention of what he created. I think they'll be easy for everybody to have access to in the future.

David: Great.

Jim: One of the things that is a mandatory retention forever is your minutes. If I look at our website, our minutes only go back to June of 2018. Where are minutes from every Commission meeting from prior to June of 2018, back to the beginning of the Commission, that is a mandatory requirement that you retain those records in perpetuity. It's those things that we have contracts that we're getting ready to go out to bid for, or that we don't even know some of the history and can't look at or find documents that relate to how that contract has evolved over time. If we had them all in one place, you could look at what that evolution is and what's the next step in that evolution. I just think that there is a ton of if you have a good records retention policy because you don't need every invoice that we paid in 2003 but I think if you had a good records retention policy, and this is what we're going to keep and how long we're going to keep it. I think the help far exceeds the six or \$7,000 that we're going to pay to do this.

David: It might be less because if Ken takes a peek through those four filing cabinets, we eyeball the stuff from Mike relative to what's in the other cabinet. We may be able to reduce maybe some of the cost.

Leah: Potentially we still have the conex and the refrigeration truck, which might just replace what he cleans out. [chuckles]

David: Yes, I'm personally I'm okay doing a motion, give some direction here. I realize we have some steps to do, but rather than having to come back six times to the Commission, if we know that we want to, Ken's going to handle part, we've got the stuff from Mike we're going to go through. I know we have to figure out the refrigeration truck is a whole another ball of wax but making- if somebody wants to do a motion to at least allow for this to materialize later this fiscal year I think that's fair for Leah and Allyson.

Clay: Given the unknowns. Does it make sense for that motion to be a not to exceed amount? Some authorized a not to exceed amount. At least somewhat in excess of what we're talking about right now so there's some wiggle room there and then--

David: I think that's a fair--

Clay: Because we're talking about a lot of pulling in other things. Not to muddy the waters, but it sure seems digitization of documents is an authentic railway Commission experience as well.

[laughter]

David: Wow.

Clay: We can make them pay with credit cards, so we don't have to deal with the gift cards at all.

[laughter]

David: No, you can redeem your credits to participate in the scanning of the files. Then you're learning about the history of the railway.

Clay: Well, even have a locomotive sitting right there while you do.

Leah: Are you going to be an inaugural [unintelligible 01:07:44]

David: Doesn't matter we have a volunteer.

Leah: Perfect.

David: He's an elected official. He's got nothing but time.

Leah: It'll be a good photo up.

[laughter]

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David: Yes. I think that's a fair. We think we are just assuming we have the conex, we know that's another 1200. I know you guys are going to help, thank you, on Mike's stuff, but then without knowing the other boxes, we probably might want to say like up to 10,000 or something like that, or not to exceed 10,000 or just to account for the refrigeration truck so something like that. No, if somebody wants to make a motion, go for it.

Jim: I want to ask our attorney if I can do this. Let me state what I'm thinking and then tell me if this is within the purview of the item. The move to approve the moving forward with the service to digitize and organize physical files, subject to a records retention policy being developed and with a budgetary limit of \$6,000. Does that fall within the--

Attorney: Yes, it does.

Jim: That would be my motion.

David: Jim, if you do six, that's less than just--

Jim: You want to just start with something and then it's going to cost more than that we're going to be talking about this more because you're going to see a records retention policy come back at a future meeting, you're going to see-- It's not like this is forever, but that is a- it's a start **[inaudible 01:09:18]**.

David: Then maybe we could prioritize what gets scanned first. Maybe the financial records, the legal records those things that we've been climbing around.

Jim: Well, that will be what your records retention policy will dictate **[inaudible 01:09:32]**.

David: Good point. Yes. Okay.

Jim: That's why I say subject to that development of that record retention policy.

David: Would you mind just restating that motion then? Just to clarify.

Jim: I don't remember what it was.

[laughter]

David: Mihaela, what did Jim say?

[laughter]

Jim: I would move to approve the hiring of a service to digitize and organize the physical files of the Commission subject to the creation of a records retention policy and a budgetary cap of \$6,000.

David: Okay. Hey, **[unintelligible 01:10:06]** you're good with that.

Mihaela: I am.

David: Okay. Thank you for that motion, Jim. Do I have a second on Jim's motion?

Stephanie: I second.

David: Okay. We have a motion and a second, any further discussion? As seeing none, all those in favor say, "Aye."

Participants: Aye.

David: Any oppose? Motion carries unanimously. All right. Well, I appreciate that. Thank you, Jim. Thank you, ladies and Ken, you guys for pulling all this together. We'll work on the records retention policy, Jim, you're going to share. Okay, great. Then we can look at the state. We can look at the nonprofit when you have and come up with something. You ladies are comfortable with that? Okay, thank you. Okay, let's move on to agenda item 10. These are the discussion-only monthly nonaction items, and we will start with 10A, the operations report. Allyson, take it away.

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MONTHLY NON-ACTION ITEMS:

- a. Operations Report – Allyson Bolton, Atypical Consulting and Events

Allyson Bolton: Thank you so much. Allyson Bolton for the record. We'll go through our operations, assets, board relations, and marketing. This is going to be our most heavy slide in this presentation under our operations as we are now on sale for the Polar Express. Yes, we're pretty much all hands-on deck to have another successful season. In terms of what we handled the last month, we still have general season trains running. For the most part, we're close to sell out. We did have one train that was around 110 passengers, which is our current break-even with our current- with VTRR. 110 is our break. Even on a general season line, we did have one train that was a break-even in this whole operating season. We are running again this weekend and it does look like the numbers are good. Continued vendor coordination with the sale of Polar Express, increased calls and call volume as well as emails. They're just trying to hit us from all angles. We get Instagram messages, Facebook messages, phone calls, emails, they've now discovered that my company is also attached to the Polar Express. They're coming through my company as well. Just all the things. Both Leah and I are tag-teaming that, with Leah really taking the lead on the customer service side. In terms of Polar Express, what we've been doing in the last month, again, we're on sale and we'll go through numbers here in just a minute. We started a weekly meeting with our production team. Now, what does that mean? I'm actually going to flip to the next slide and then we'll come back. Here is our team. I have mentioned this in a few meetings, but this is a really visual representation of how we've divided the tasks differently for the Polar Express this year. Taking what was formally known as the production team, if you will, and dividing that up. We've got myself handling the vendors underneath there, handling our sound vendor, any onboard needs. I'll be on the train for every run handling our North Pole vendor, our Santa track movement. Getting Santa from the Depot up to the North Pole and then handling all the budget and the payroll. An overarching yes or no for all of the team members below myself as well. The next in line would be Leah, and so Leah's taking what we had divided between the two of us last year and she's taking that role. Handling being in charge of ticketing, retail, all of our supply orders, the grounds. That could be snow removal, security, et cetera parking attendants, and our hot chocolate room. Then we have VTRR handling all train operations and track movements. We have Leanne handling all of our marketing. Then today we have here Nicolle Larson, who is our new Director and our Stage Manager handling our onboard cast as well as our North Pole elves. I'm actually going to flip back to the other slide quickly, and I'm going to hand it off to Nicole just for a minute to introduce herself and to talk a little bit about what she's been doing since she's come on board with the A-team.

Nicolle Larson: Thank you, Allyson. Hello everybody. I'm Nicolle Larson. I came onto the A-team because I actually worked with them at a different venue as a fundraiser and love working with these ladies. A little bit about me. I have 15 plus years in education and administration, and I then moved to the nonprofit. When my kids were small, I successfully raised over \$3 million for local area high schools. I'm really excited to be your new Director and Stage Manager here for the V&T and for Polar Express, we're going to have a great holiday season while raising a little bit of money. What have we done so far? We've done our casting call, the 50-plus area high schools, colleges, production companies, and individual actors that I've known from around the area. We've interviewed Santas and have secured two Santas. We're still looking for two more. If anybody knows anybody, we're auditioning on September 10th for dancing and singing chefs, stewards, and friendly

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conductors. Anybody else that you might have interested in that? This week we are focusing on creating the nonprofit fundraising opportunity to send out to local nonprofits for the North Pole experience. Next month we start rehearsals and I'm going to be going to the Depot going through costuming, make sure we have what we need to run a successful event.

David: Thank you, Nicole. Welcome aboard. This is fantastic. Your enthusiasm is awesome. You've stepped it up a level. This is great. Thank you.

Allyson: Yes, so our team meetings have really been fun. We meet every Tuesday morning, and we chat through the entire production and what everyone is working within their bucket, and it's been really nice to have Nicolle on board, like she said, with her nonprofit side. Because as you'll see what we've also been working on is our sponsorship packet. We do have an interview on KOLO on Thursday. My hope is to have the sponsorship packet posted before then so that I can talk about that on the interview. We also met with a sound vendor, and I would actually say that this is one of the most exciting things that happened in August because just picture me and you've never seen the look of panic on my face. I know you never have, but having both the sound expert as well as Tom's team, look at me and say, "Hey, we've got this, this is easy. Check the box, don't worry about it." Just to hear that was such a breath of relief, that we are really- we're going to pull this off this year and we're going to have a wonderful sound experience on board. We are looking to staff the onboard sound operator. However, it is something that they'll be training Nicolle as well as myself to handle while on board to check levels and et cetera. We'll have multiple brains working the whole operation. We've met with our decor vendor as well. This is also very exciting. If you attended Polar Express last year and you walked in, it was the blue tones, the gold tones of the traditional Polar branding. We are going to change, and this is something that we're hoping to do year over year, change the Depot experience. The onboard experience stays the same. It's always the same script and you know, to grow and love and expect what to have there. The Depot is an area that we can have a little bit of fun with and that was almost an exciting piece of what to expect this year for Polar. This year we are approaching it as the Victorian Christmas meets a young boy's dream. You walk in and picture plaids and giant ornaments. Well, we're custom building the snowman that was in front of his home. We're also building a faux mantle that will be underneath the screen that will hang stockings from. It's almost like you've almost walked into his room or living room, but then you've got this giant toy soldier that's looking at you. We're really excited about that. The loading area will be the same as if you've walked outside so very dark in there with lights above. We have the train caboose like we're using, but we're trying to elevate that a little bit more and we're developing a new platform stage so that the cast members can do their skit beforehand in a little different manner. That's all that we did in August, moving forward into the next month. As Nicolle mentioned, we've got our auditions and we're starting rehearsals. We're also preparing for media night getting together our comp list for that evening. New this year, we were also going to run one empty train completely. Historically the cast members had never dress rehearsed with the train moving. They did it stationary in Virginia City. The trains actually weren't together, the cars and they make shifted it in a way. We talked to Tom and we're going to do a full dress rehearsal with the train, moving with the sound going, all the things so that they can truly be prepared for the 5:00 o'clock run. It actually might be the 6:30 run. We might do that for 5:00 o'clock. That's really exciting for our cast members. We do have some returning cast members that are excited about that. We're looking at installing a permanent sound system within the Depot that we can use year-round and then we're also in close ties with Rail Events right now trying to get schedules coordinated because they're coming out to help us make sure that the sound's all set up right. They're putting the music score together for us as well so that we can essentially just hit play.

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Then the last thing that we're determining is whether or not we want to change our point-of-sale system for our retail shop within the Depot. Lot's going on. We talked about our org chart. Like I said, we've got a pretty good season going here for our general riders. I won't get too far, because I know that I already briefly talked about this, but we are working with a private charter group that will be running October 1st, really exciting experience for them. Total revenue right now around \$150,000 in our general season, Polar Express. Things are moving quickly. We went on sale via E-blast to our E-blast distribution, and then I actually paused for about five days and didn't do anything else with it. We did do a post on social media leading to my marketing bucket but we did a post on social media of like, "Hey, join our email list." We're going to announce to them soon. Ultimately finding out that our website was not talking to our email system and those emails were not dumping into our email system, but I caught it before we hit send. We actually increased our email distribution by over 2,500 emails which is very exciting. We went on sale. Again, I paused before I hit send on the press release and hit it on our social media et cetera. We did have some partners that shared it when they saw that it was on sale. Before I hit send, on the press release, we were 40% sold out. I hit send, on the press release, the numbers that actually changed even from what you see on the screen were actually at 57% sold out currently \$383,000 in revenue. One more thing on Polar that we changed. Before, I can't recall if I had brought this to the Commission but in our coach car we are selling per bench now to help the onboard experience in terms of seating with those odd numbered groups. Essentially, for the coach car, you had to purchase two tickets or the full bench as opposed to just one ticket. Your groups of three and your groups of five are having to accommodate for that. However, I did talk to Tom and they started this last season, I didn't know. They said it's worked out great for them. We've had a few calls and confusion about it but for the most part, people get it. If you want to have your party to sit with just your party then you need to purchase that bench and for the most part, people get it. VIP is the same. However, we've actually eliminated the sale of an adult ticket and a child's ticket, a seat is a seat. You purchase a ticket in VIP, a bench in coach, a table in our deluxe coach or the full private room which we have now made the VIP private room which accommodates 15 people. We elevated it to VIP because we were finding that a lot of our VIP passengers that have ridden in the VIP car year over the years went to that private room to have the private experience but missed their collector's mug that they got from VIP. We increased the price just a touch to compensate for the cost of those mugs. I actually think that the last I checked, we had already sold 40 of our private rooms. They were the first to sell out last year and I do anticipate for them to be the first to sell out this year as well.

Rail bikes. I know June looks really sad but that is reflective, I think of one weekend or maybe possibly one day. Then July, we had 660 passengers and there's the revenue reflecting \$30,000. I did take a peek at July of last year just to see how we compared and we were at around 550 passengers last July. We also had a bad fire season. I can't recall if that was July or August, but the numbers were up comparatively to last year.

Assets were pretty much just getting things ready for the Polar Express. That's it and we are hoping to clean up the blue hanger of some of the old decor that's been sitting there.

Board relations has pretty much just been status quo, no new real significant updates on this one. Just maintaining payables, meetings, et cetera.

In terms of marketing, we are still confirming our media buy as well as our marketing budget. Leann's working on that with our team. I'm finalizing the rack card and then as I mentioned, we did send out our E-

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blast. Our email distribution is now up to over 12,000 recipients. If you'll see there, the open rate is 51% on that email, which is unheard of. A good open rate is 10%. 51% is quite significant. We don't do a regular scheduled E-blast, but we do do a few during the Polar Express season. Actually, we pull out the dates that are still open, et cetera, trying to communicate where you can still get in. We'll have one on our casting call as well as our staff that we'll be hiring for just Polar Express. Facebook and Instagram are ticking right up. We're seeing an increase in both of those 16,781 likes on Facebook and 2,700 followers on Instagram. Then our website, I thought I had. I did. I actually typed it in, I didn't do the screenshot. Our page reach for both Facebook and Instagram went considerably up in the last month mainly due to us being a little bit more active than we have been in the past. Again, we hired Leann to take the reins on that one and move forward with it. We're putting together a content calendar between now and the end of the year to have consistent messaging on both platforms. Then our website, this is going to be again comparative to the prior month, and we went on sale for the Polar Express. I added an additional graphic here this time because it's just so interesting. The date that we went on sale for Polar, you can see right there, right in the middle we ticked right on up, and then it's leveled off a bit. An additional new graph that I added here was the sessions by device with 76% being mobile which I thought was pretty significant. Then the demographic per city there again with the not set as anticipated being the higher with cookies and whatnot. You're going to see that not set category increasing. Then we're working on the website with the web team currently because, for whatever reason, the traffic source just keeps pulling as direct and we know it's not all direct. We know they're coming via social. We're not currently running any media buys but they're investigating why our analytics are pulling that way. That is it. Any questions?

David: Well, great work. I'm excited about the changes for PEX. This winter, I think it's going to be amazing. blow away the prior years that we've had as far as the experience for our passengers, especially kids. I'm super excited about the effort that you all put into that. I think that's going to be awesome. I have just a couple of quick questions. On the analytics, I think we talked last month about potentially looking at the Google Analytics, the source code on that to see if it's updated because of the not-set. Then if you're having an issue with the-- Everything is direct, the sourcing versus our actual campaigns, whether it was paid search or organic. Is that a Chad question? Yes. He's trying to figure out what's going on with our GA or UA code.

Allyson: We're working with him on a few different things that we're also looking to bring back the calendar that we used to have on our website. They had a large project this month. We're just a bit delayed.

David: Do you think that it will be resolved maybe before our next meeting as far as the code-related issues? I know, it's not an overnight fix because we had to deal with this ourselves or Visit Carson City but do you think--

Allyson: I don't see why not. It's definitely something that we can express the deadline, let your deadline with him and I think we can probably anticipate that.

David: Yes, it's just such a large percentage. I'd like to see how that filters through the actual where these people really reside or where their devices are. I think that's critical information for us.

Allyson: Agreed.

David: Then I don't want to hog all the questions. Just one other question. I know that TikTok is an extremely complicated medium to work with and deal with and I don't even pretend, Lydia's been educating me, my marketing PR person, on how this all works and everything. Is that something I'm not saying now, but down the road that we ever want to look at? Don't make fun of them, Stephanie, I'm just curious. I was just thinking it's weird. When Lydia is showing me these things and then how one thing gets a million views and they put

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another thing out and it gets two views. It's just mind-boggling to me how that all works but I wondered if there was something that we could leverage that channel for PEX or anything related to a rail bike experience or just a regular train experience. Just curious, I know it's very complicated. I get that, but just wondering.

Allyson: Currently we don't have a plan in place to integrate TikTok into our social media strategy. The medium for TikTok is heavy video, which currently we don't do a lot of videos. It is something that we are more than willing to discuss internally to see if we have the capacity to do videos. During the season, sure, I grab quick stories for Instagram and for Facebook of the train coming and leaving and the happy faces getting on board, et cetera. It is something that we can definitely talk about.

David: Well, and I guess I think that we could help too. If we're bringing in influencers, whether it's just us as Visit Carson City or media or they [unintelligible 01:30:55] territory or something along those lines, getting them on the train, everybody wants to ride the rail bike. It's hard because we have a short season and then the issue with the trains is they're not running every weekend so we can't dictate a schedule just around when the train is running, unfortunately, especially if we have multiple influencers or travel writers coming in, but we are going to be engaging with someone to assist with some TikTok work beyond what Zach does on my team and Lydia do on the Visit Carson City team, just because it's such a complicated--

Allyson: Well, and I think you really hit it there. It sounds like our strategies are very similar in that we're leveraging our influencers, their TikTok accounts. For example, we had Northern Nevada Moms, which I actually didn't mention in the report, we had Northern Nevada Moms which is a significant influencer within mom groups within the Northern Nevada region. They came and rode and did a fabulous reel that we shared on our network. We're not the ones producing the content, we're sharing theirs.

David: All those words. Reels, all these terms that I was just learning about myself last week and this week. Yes, exactly. Then we can share somehow we have their thing like on a visit our city, but it was theirs and maybe we can leverage, we're trying to do the same thing and get ahead of the curve on this. I know somehow I think doesn't it work with, is it Instagram that it somehow works with too?

Allyson: I think you can post your TikTok reels on Instagram.

David: You get a double bang for the buck, which Jim knows more about all that Instagram, Facebook stuff than I ever know, but yes. No, just thinking forward for next season and how to leverage our partnerships and relationships and then these content curators or providers, and I get that TikTok is not curated. It's supposed to look like just somebody put their camera out and shot some video. I'm learning that too in the last week and a half 10 days. Cool. Well, thank you. Any questions from the commission?

Allyson: One last thing on TikTok I'm just going to mention. The true growth of TikTok was because the demographic of Instagram and Facebook got so saturated that you saw younger demographic shifting away from it and they have now gone to TikTok, which I would argue isn't our key demographic for our product--

David: We want them down the road, right?

Allyson: Correct.

David: To engage maybe for the train, the rail bikes, these people are just the young people are all about the rail bikes. We need to get them wanting to engage with our train and riding a train because they may not even know what a train is quite frankly. I think there's a future downstream opportunity, but I agree they're much younger.

Allyson: I do think the rail bikes, I think, yes. I think you and I could connect on some rail bike marketing too.

David: Cool. Well, and maybe that's our hook. We get them to the Depot, engaged with the V&T through rail bikes, but then encourage them to come back and ride a train or come back for the Polar Express or what have you. That's great.

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Clay: Well, and along those lines, the opportunity in social is to find underpriced attention basically where because these platforms, they need eyeballs, and if it's not oversaturated, then it's on sale if you will. While the demographic may not be a natural fit for our primary product, I can pretty much guarantee you the space for what we do is not saturated in any way, shape, or form, which has happened to some of the other platforms because they're going after that demographic naturally. It's the wild west in some ways, but it's also wide open. I would say maybe you leveraging influencers I think is a great way to do it. Maybe in the short term, it's just creating a presence, but not really going too active. One of the things that TikTok does really well is they allow their content to be shared on basically any platform, which is not necessarily the case for others. There may be a reason to go native production of video onto TikTok which can then be shared through the other platforms. You're getting the leverage, you're making the content once, but because of the distribution advantages that it provides. As far as the private charters, 30,000 and there's good opportunity for more, what's the thought?

Allyson: Yes is the short answer. Currently, we had one that came, I believe in July, chartered the entire train up to Virginia City for a weekend that-- I'm sorry, it was a Friday for a weekend that we were not running. We were not running that weekend. They chartered and they were extremely happy, very organized. The additional two, I'm not remembering what the third one is, but the other one that we're working with is a corporate private party, a staff appreciation if you will. They're piggybacking. The train will come back from Virginia City on a Saturday, and they're coming to our Depot, we're going to have a movie playing up on the screen, they get appetizers and a drink at our Depot. Then they'll load the train. We do have the docents coming that are going to ride the train up with them as well. They're going to Gold Hill Depot where they'll have a seated family-style dinner with the bluegrass band. We're working with Craft Productions I believe to also set up screens and AVs so that they can show their presentations and et cetera. It's been a great partnership with Storey County, honestly, working with Leah up there. Leah has been quite fun. [laughs] The way that we formatted that one, we're taking our event planning skills and applying it to this group. We're talking with them about their napkin choice and their centerpieces and all of those things. We added that as a service to the \$10,000 charter that we had previously discussed in February. We added an additional \$2,000 to cover our time to help them create a very curated event. I'm hoping to get, the group itself doesn't want to be photographed, but we're hoping to get a photograph of the experience before it's really set with people best that we can. I do think it's a huge opportunity because they're happy people that just want to be there and it's low impact from our team to handle it.

Clay: My mind jumped to there from the discussion about social because I think if we can create a case study or two with content from these, and then I don't know, LinkedIn or something as a potential channel to reach the professionals in the corporate world which I think is also underpriced attention right now for the most part, I see that as a huge-- As long as Tom's on board to do it, and the nice thing is we don't have to work around any other schedule other than what works for them and what works for us. It allows us to take underutilized assets and to generate some more revenue. I think down the road that potentially is a huge thing for us. One thing, and if it's not too much trouble on our regular season, if it's possible to approximate ridership percentages. We have raw numbers, but just even it's just on the month to month, you have the revenue, you have the total ridership, and then just how many seats were full out of the total possible, just so we have a directional on how full the trains are. That would be super helpful just to make sure that we're, and you said, it sounds like it's under 50%, that's a break-even on the direct operating costs because we're succeeded, it's 240 and you said about what?

Allyson: 210.

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Clay: 210.

Allyson: 210 is the three cars.

Clay: It's just over 50% and breaks us even on direct operational costs.

Allyson: Well, and that would be 110 adults. We're 55 per adult and 35 per child. We're experimenting the flat price with Polar Express to see the impact of it. I do know that Tom's operation has gone to sell-- they're just selling the seat. It's no longer an adult versus a child price. The 110 is at the 55 price.

Clay: Got it. That's fine.

Allyson: Something to discuss at our February retreat.

David: For the ticket pricing, but I think we can still look at it as-

Allyson: 100%. We can do that.

David: -butts and seats regardless of child or if that's what you're really getting at is how many actual people rode on the train. I think that's still fair for now. Even with the price differential.

Allyson: We can do per seat.

Clay: Even just a percentage of potential revenue versus actual revenue. You know what I mean? Something that, so it's the same concept, but it takes some of the guesswork out that says--

David: For now you would want to do that on a weighted basis, like actual the split between a child's ticket, an adult ticket, then you could just model that for the remaining seats, you'd be comfortable keeping it simple.

Clay: Could be, or if we're just doing here's the highest potential revenue. If we sold 210 adult seats.

David: Got you.

Clay: Here's our break-even number on the dollar side, and then here's what we actually made off of the trip. I don't know. Trying to keep it simple, but get an idea of performance.

David: Sure. You could tinker with that and maybe bring something back next--

Allyson: Definitely.

David: We can eyeball.

Clay: Thank you very much. That's great.

David: Any other questions or comments? I love the charter thing. I want to bring a charter forward in April for the Mark Twain Day Festival. We're already we think we have a primary sponsor lined up for that train for those guests. It's just a question of, we think we might need it for Saturday and Sunday depending we'll have to throttle back the number of tickets, VIP packages that we can sell. What we're finding is everything is about VIP experiences. What we're doing with those charter trains is just, it falls in line with how we're working on events for Carson, City and VIP packaging around that. That's what people are looking for. Something that the average attendee doesn't get. Whether it's a part of the experience or a coin or whatever the case may be. I think we're going down the right path there.

Allyson: Depending on if you're going into the canyon or if you're going up the hill currently the format is the three coach cars, but Tom does have other cars available, the table car, to create unique experiences, something that we don't offer for the general season. It's something that we've been toying around with of when we're hitting these near sell-out weekends do we add a table car in and sell a VIP ticket that comes with maybe a bottle of bubbles and a graze box, et cetera. Something to discuss.

David: I like it. Any other comments or questions for the [unintelligible 01:42:52] team? Thank you. Very nice work. It's going to be exciting fall and winter season. I don't see Tom on the screen, so we'll skip 10B and we'll move on to 10C the engineer's report, Ken Dorr, take it away.

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- b. Train Operations Report – Thomas Gray, VTRR

- c. Engineer’s Report – Ken Dorr

Ken: After hearing all that neat stuff that Allyson just talked about now you're talking about the really boring stuff, the maintenance. Anyway, Gabe could probably talk on some of these items that have ongoing work. Gabe is finishing up some ballast regulating work where he is dressing shoulders and sweeping the track and making it look pretty basically. It's not just pretty, but we're trying to get rid of some clean up some of that work. He's got three, four more days to do on that. He's got some servicing, some rough spots. We're going to do our joint oiling program, which we basically retention all the bolts and not all, but about a third of the track per year and oil the joint so the track will move and when it gets hot versus when it gets cold. When he does that, he also resets rail anchors and redrive spikes if you will. It's just a general maintenance when he is got a crew out on the track. That's a good thing. Coming up work, Gabe and Kent Hanford are going to be doing a little recon on the US 50 bridge to go over some of the items that NDOT picked up on their inspection last year, which were very minor by the way. We're going to try to determine what we can do now without having to get a formal Right-of-Way occupancy permit from the state. Obviously, if we're going to close down a lane, we need to have Right-of-Way occupancy permit, traffic control plan, and it's easy, but it's a pain and it's somewhat costly. You have to hire someone to do that. We're going to try to see what we can do. There's little work on the abutments that probably can be done right now. Then the rest we're probably going to move forward to next year. Talking about the bridge just for the board's history, if you will, our edification. At one point in time, we had an interlocal agreement in place with Carson City where they would help us out with their lighting and signal folks and come up when there was a bulb burned out on the lights on the bridge, or the two lights are either side of the bridge, those are ours that they would come up and do that. Carson City has pretty much gone away from doing a lot of that signal maintenance work themselves, and they tend to contract it. One way or the other, we don't have that interlocal agreement, which is too bad because when we got a bill from them was really inexpensive, but next year we're probably going to have to go in and do some lighting maintenance. Some of those light bulbs haven't been looked at or changed, and I guess they're still working more or less, but in about four years. That's going to probably entail getting an occupancy permit, setting up traffic control, hiring an electrical signal contractor. Then also doing some other maintenance while we have a man lift out there. It's a real pain to do that. It is our responsibility. At that point we could do some touch-up on the, you see some little spots where the silver paint is peeled off, that's not a structural item. That's strictly appearance, that's a surface coat. You notice the green coat underneath. That's the good stuff we should have just left the darn thing green because we repainted that with actually some interesting paint that absorbed the lead-based paint that was in there. We didn't have to sandblast all the lead and get rid of it, because that's nasty and expensive. Anyway. Now I bored you to death on that. One of the things we do have coming up and Jim, this is going to be a question for you is Gabe's got a quote for the purchase of the pre-emergent material, which we like to put down in October. They unfortunately need to be paid upfront. It's difficult through Storey County to set up an account. Unless we set it up an account with this one supplier in Sparks there that we have to pay for it ahead of time. I need a little assistance on that. Last year, I think, Jim you were able to take the quote and con the folks in Storey County into giving us a check on the quote. I just happened to have a quote this year, their prices have gone up a little bit, because this is a petroleum-based product. It's \$8,200. That's without sales tax, which because we said,

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no we're tax-exempt, but if I buy it or if Gabe buys it not only, we're probably going to mark you up and we don't have any choice on the sales tax. I don't know if Jim if that's something you can help us out with again or not.

Jim: I thought that's what we did last year is we just used the quote to have a generated check. I'd just have it put it on the next check run.

Ken: Well I happen to have it because Gabe just happened to give this to me here this morning. We've got that. That would be wonderful. Then we try to do those right when the first rain hits in October. The **[unintelligible 01:47:53]** grass doesn't come up.

David: Just a question. Can they run that through the system though or do we need an invoice with an invoice number? No. Okay.

Jim: Last year we used the quote to generate the check in advance.

David: Cool.

Jim: Obviously we need the receipt in arrears. Make sure that--

David: We can't probably add it now because they're process-- It'll be for two Mondays.

Allyson: The 9th is when the check would be run.

David: Is that going to be okay?

Ken: What's the date?

David: The 9th.

Allyson: September 9th is the next distribution of checks.

Ken: I just didn't want to wait until the end of November. By the way I forgot.

Allyson: If we get it today, we'll put it in the next approval process and the check would be sent on the 9th.

Ken: Sounds good.

David: Then that guarantees us that they'll have the product.

Ken: Yes.

David: Oh good. That's great.

Ken: Apparently it does not come from Ukraine or Russia, so it's good.

David: Go ahead, Jim.

Jim: I think this is one where we picked up the check though. We took it with us.

Ken: Yes. We did.

Allyson: Correct.

Jim: You're still up for that?

Gabe: The ninth **[unintelligible 01:48:53]**.

Ken: Well are you going to share your venison with us?

Allyson: We'll flag it, but it's a pickup check at the courthouse.

Ken: Thank you so much. Let's see. I mentioned to Allyson and we also have about \$800 in sign replacements, but I got to looking at the quote and they basically have a 30-day payment process on that. I think we can just order it and not have to hit you up to use the credit card to avoid the sales tax. I think we're good.

Allyson: Perfect. We'll just need a W9.

Ken: What's that?

Allyson: A W9 to set them up as a new vendor and that's it.

Ken: We can probably do that.

Allyson: Great. Thank you.

Ken: Ask him if those are W9? You wouldn't mind Gabe?

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Gabe: No.

Ken: What else do I have on that? Science, Gabe has apparently irritated all the track suppliers in the nation because he can't get spikes and plugs and miscellaneous stuff. The one supplier we worked with for years out of Salt Lake and we also bought several million dollars worth of rail from them is not being very responsive as far as getting him some minor little items, because maybe it's too small of an order. We're having some difficulty on spikes, and spike plugs, and bolts, anchors, the stuff that always wears out. We're okay, but we need to purchase that material. Now, the good thing with them, they just always were able to bill us before. It's not a lot of big item, it's like \$1,500 worth of minor supplies, but we're having difficulty getting response from those folks.

David: Can we treat that in the same way that we could get an invoice or a quote so at least?

Ken: They've always been able to bill us before. Now, they may have changed their policy because we're a small customer, if you will, and we're not buying \$2 million worth of rail from them-

David: Sure.

Ken: -but we'll see how that works out.

David: I was thinking we could treat it the same way as the pre-emergent, if we got the quote and they know, I don't know if you have to pick this check up or whatever that process is, but if we get them a check at least, we are on the record as, "Hey, we ordered this stuff, you guys have been paid." When it comes in, they could deliver to us.

Ken: Let us work the issue.

David: Okay, thank you.

Ken: Gabe is going to have to start being a little more forceful and raising heck, and we know where the founder of the company has got a place in Incline Village, so we're going to go picket his place. That was about all I've got right now, that's pretty boring stuff. Any questions and [crosstalk].

David: Any questions for-- thank you, Ken. Thank you, Gabe. Good work, you guys, appreciate it.

Ken: Gabe, do you have anything?

Gabe: No, besides signs. Ordering signs.

David: Good. We got that figured out. Okay. Great, you guys. Well, thank you. Thank you both.

Ken: You're not using those for target practices to get ready to go deer hunting, are you?

Gabe: No. Those are the ones that already up.

Ken: Okay, got it.

David: New phone number's going up. I see it.

d. Upcoming Meeting:

- 1. Commission Meeting on September 28, at 9:00 am.*

David: All right, we'll move on to 10D, upcoming meeting. Right now we have a meeting for the 28th of September, but there is a little bit of an issue because of the league of counties conference that's taking place in Virginia City that same day, and so we have an RFP, we'll be re-evaluating those responses as per the RFP that went out for the construction and maintenance and deconstruction of north pole. Are there any other days that week that would work for you guys with a block morning, afternoon, suggestions? Go ahead, Stephanie.

Stephanie: I would just throw out to propose the morning of the 30th, which is Friday, if that works for

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everybody. Talking with Allyson, we think we can make that work. She may be virtual, but Leah can run it from here, if that works for everyone else.

Clay: Friday, the 30th.

David: [inaudible 01:53:09] does that work for you?

Clay: I can probably make it work. The governor is doing an infrastructure conference down in Las Vegas, and I was possibly going to be down there for that, so I would have to zoom in, but it's definitely possible.

David: Is there another day in that week that works for you?

Clay: It looks like Tuesday morning is a possibility, with the conference not starting till that afternoon.

David: Jim, that would be the 27th, for the record. Would that work for you?

Jim: Yes. I just need to be done by noon.

David: I'll have us out of here by 11:45.

Clay: Overachiever.

David: Well, I'm getting some time back today.

Clay: You're banking it.

David: I can do that on this Commission, I hope. My own board says no. Should we try for nine o'clock on Tuesday the 27th? Oh, 9:15, Mihaela, to have you.

Mihaela: I'll try to be here as close to nine o'clock depending on what time I get out of [crosstalk].

David: Okay. We'll keep it for nine and then you might be just a few minutes late, but we can get started before we get into the meeting. How about that? We'll shoot for nine. Leah or Allyson, you will coordinate with IT..

Allyson: Yes, we will.

David: Okay. Let's do that then.

Stephanie: Allyson, you'll also check about the room availability, just making sure.

11. COMMISSIONER COMMENTS OR ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION:

David: Great. That was easy. I had 40 minutes set aside for that agenda and this is great. We're making time up as we go. All right, we'll move on to-- Thank you everybody, agenda item 11, Commissioner comments, or announcements and requests for information. No action will be taken and no discussion among the members or with staff will take place during this item of the agenda. Any comments that anybody wants to make?

Clay: I was just going to mention, things have been a little rocky with Storey County providing the shuttle service. I wanted to apologize for that. I think we thought we had it more figured out than we did and we had backup plans that apparently didn't materialize. We're still working through, it's been passable, but we've had a few hiccups, but we're back on. It's just outside the norm of what we do. We don't have systems in place, but we'll continue to work to make sure that's buttoned up for the rest of the season.

David: Thank you. We appreciate that very much. The only thing that I would like to ask next month, Allyson, Jim and I just approved the FRA annual boiler inspection for 2022, and I think there's some other components to that on yesterday's check run. I would like to have Tom maybe come and talk us through that report because it's a pretty big cost for \$4,500. I'd like to have that as an agenda item at the September meeting.

Allyson: For discussion only?

David: Oh, yes. Just for discussion. Like, "What is this?"

Allyson: Do you want it part of his update?

David: I would like to have it as its own agenda item if possible. It's okay. Tom could do it through the WebEx.

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it's totally fine. That would be great, but discussion, obviously I'm not questioning the need to do it, but I just want to get some more background information on that.

Allyson: No problem.

David: I don't know if anybody else wants to ask questions at that time, but I figured we could throw it out, go ahead, Ken.

Ken: You're going to have a copy of that report, right? [inaudible 01:56:49].

David: That was the other thing. Is it possible? I was wondering, is it a written-- I remember seeing that thing with the checklist a year or year and a half ago.

Ken: [inaudible 01:56:59].

David: It would be nice to have that in the packet if possible that way, not that I'm going to understand everything that's in it, but at least to have it and then we could be intelligent with our questions for Tom would be great.

Ken: [inaudible 01:57:13].

David: Good point. Good point. Ken, will you push the button? Sorry. You had a question.

Ken: Sure.

Allyson: It was just that the report comes from Tom, or is there a third party that--

Ken: What the federal regulation says is the owner or the operator needs to do all of the inspections, in this case it's been essentially deferred to the operator.

David: To Tom.

Ken: Tom has been keeping those reports and has them. We were requested to provide some of those reports for an individual who was probably trying to file a formal complaint with the Federal Railroad Administration against us but that got taken care of because we had copies of them but we should have copies of all those inspection reports in.

David: For sure.

Ken: I believe the previous discussion I had with Mike Rowe on this item was that that's actually a requirement of his contract, that he gives us all copies of those. Shouldn't be a big deal. We just want to keep copies of the records.

Allyson: Great.

David: Okay. Thank you for that clarification.

Leah: Digitize them.

Allyson: Heck yes.

[laughs]

David: That's a ticketable, saleable item that's going up on our website. I love it. Does anybody else need any help with anything that we can sell on our website? This is the time to-- no, this is not the time. I'm sorry. Any comments? Go ahead, Stephanie.

Stephanie: I was just going to update the board that we have had continuing discussions with Virginia and Truckee Railroad. Our next with Tom is in September. I believe it's on the 14th, so just to provide an update that we're moving forward with that, discussions have been good so far and I don't know that we for sure have a date we were bringing it to the Commission, but we know we need to do it before the end of the year. We're getting close.

12. PUBLIC COMMENT:

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David: Great. Thank you. All right, there's nothing else. Public comment, we'll open that up. Our second opportunity, anybody wish to make a little comment, seeing none, if I could get a motion to adjourn, that would be super.

[laughter]

Clay: I move to adjourn the meeting.

David: We're adjourned.

13. FOR POSSIBLE ACTION: TO ADJOURN.

The Minutes of the August 24, 2022 Nevada Commission for the Reconstructions of the V&T Railway meeting are so approved this 27th day of September 2022.

Approved by the V&T Railway Commission Chair:

