

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY

Minutes of the Wednesday, July 26, 2023 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, July 26, 2023, 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/player/clip/2270?view_id=2&redirect=true&h=00946c2989960eea2071b363f9547dac

PRESENT: Chairperson David Peterson
Vice Chair Clay Mitchell
Treasurer Leah Kruse
Commissioner Stephanie Hicks
Commissioner Michelle Schmitter

1 – 3. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM, PLEDGE OF ALLEGIANCE

(9:01:32) – Chairperson Peterson called the meeting to order at 9:01 a.m. Roll was called and a quorum was present. Chairperson Peterson led the Pledge of Allegiance.

4. PUBLIC COMMENT

(9:02:30) – Chairperson Peterson entertained public comments; however, none were forthcoming.

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – JUNE 28, 2023.

(9:02:53) – Chairperson Peterson introduced the item and entertained comments, changes, or corrections, and when none were forthcoming a motion.

(9:03:10) – MOTION: Commissioner Hicks moved to approve the minutes of the June 28, 2023 meeting. The motion was seconded by Treasurer Kruse and carried 5-0-0.

6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID JUNE 1-30, 2023.

(9:04:05) – Chairperson Peterson introduced the item, referenced the items incorporated into the record via the Staff Report, and entertained comments and/or questions; however, none were forthcoming. He also entertained a motion.

(9:04:46) – MOTION: Vice Chair Mitchell moved to approve the statement of accounts payable checks paid June 1-30, 2023. The motion was seconded by Commissioner Hicks and carried 5-0-0.

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7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T FISCAL YEAR (“FY”) 2022/2023 BUDGET REPORTS, PERIOD ENDED JUNE 30, 2023.

(9:05:18) – Chairperson Peterson introduced the item and entertained questions and/or comments regarding the Staff Report and supporting documentation, all of which are incorporated into the record. Vice Chair Mitchell noted that the information “looks pretty good to me.” Chairperson Peterson clarified that “everything we know of is accounted for with the exception of maybe one of the special event train revenue checks [\$10,000] from June.” Commissioner Hicks noted that the property payments were also still missing. Allyson Bolton, Atypical Consulting and Events, clarified that the monthly notifications had been sent; however, no response had been received since March [2023] but an updated demand letter had not yet been sent. Ms. Bolton also explained that the expenses had been reconciled and believed some revenue from upcoming runs was expected. Jennifer McCain, Storey County Comptroller, informed the Commission that the pending ticket sales would not show up in this year’s expenses and would be captured as “post-payment.” There were no additional comments. Chairperson Peterson entertained a motion.

(9:10:38) – MOTION: Commissioner Hicks moved to approve adjusted V&T Fiscal Year 2022/2023 budget reports for the period ending on June 30, 2023. The motion was seconded by Treasurer Kruse and carried 5-0-0.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A DETERMINATION THAT SIERRA NEVADA CONSTRUCTION, INC. (“SNC”) IS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NEVADA REVISED STATUTES (“NRS”) CHAPTER 338 AND WHETHER TO AWARD CONTRACT NO. FY23-C005 TO SNC TO REPAIR POTHOLES AND RESURFACE THE EASTGATE STATION PARKING AREA AND THE EASTGATE SIDING ROAD (“PROJECT”) FOR A TOTAL AMOUNT NOT TO EXCEED \$206,857.35 THROUGH DECEMBER 31, 2023.

(9:11:07) – Chairperson Peterson provided background and introduced the item. Kent Hanford, the owner of Hanford Consulting, explained that he had spoken to SNC regarding the costs and clarified for Commissioner Schmitter that the winter conditions and the greater demand for supplies had created the “escalation in costs.” Commissioner Schmitter inquired whether SNC would be interested in sponsorship. Deputy District Attorney Mihaela Neagos reminded the Commission that the agenda item was to discuss construction costs only. The Commission was also informed that federal funds would not be used for this project. Discussion ensued regarding the actual construction site and the additional parking spaces and Mr. Hanford believed that the work would be done within the existing footprint, without creating additional disturbance or earthwork. He also explained that the relocation of the connex box was not within the scope of the project. Chairperson Peterson entertained a motion. Ms. McCain clarified that the project will be reflected in the overall budget as an “over-budget” item until June 2024, when the fund balance

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of unexpected revenues is augmented. The Commission agreed to act on the item but have a conversation with SNC.

(9:27:03) – MOTION: Commissioner Schmitter moved to approve Sierra Nevada Construction, Inc. (SNC) as the lowest responsive and responsible bidder [pursuant to Nevada Revised Statutes (NRS) Chapter 338 and to award Contract No. FY23-C005 to SNC] to repair potholes and resurface the Eastgate Station parking area and the Eastgate Siding Road (Project) for a total amount not to exceed \$206,857.35. The motion was seconded by Vice Chair Mitchell and carried 5-0-0. Chairperson Peterson also instructed Mr. Hanford to arrange a meeting with SNC per the earlier discussion.

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPLICATIONS FOR THE EXECUTIVE ASSISTANT CONTRACT POSITION AND POSSIBLE AUTHORIZATION OF THE CHAIR TO ENTER INTO AN AGREEMENT TO BE RATIFIED BY THE V&T COMMISSION AT ITS NEXT MEETING.

(9:29:14) – Chairperson Peterson introduced the item and noted that the discussion would be based on the late material introduced in the meeting room and posted on the Commission’s website. He also clarified that four out of five applications had been received prior to the application deadline; however, a fifth had been submitted late, at 11:30 p.m., and entertained discussion. Vice Chair Mitchell was in favor of interviewing those candidates who had attended the meeting and deliberating. Chairperson Peterson noted that the four candidates were: Cheryl Bailey, Wendy Thulander, Tina Woods, and Austin Quattrini adding that the late application had been received from Rob Vugteven. Vice Chair Mitchell disclosed that he had a previous working relationship with Mr. Vugteven; however, he did not believe in recusing himself as he believed he would be partial and fair during the decision-making process. Ms. Neagos offered to distribute Mr. Vugteven’s application form should the Commission decide to consider the late application “given the fact that there was some confusion in regard to the deadline for the submittal of the materials.”

(9:37:00) – Chairperson Peterson recessed the meeting to allow the Commissioners time to review the late application. A quorum was still present when reconvened at 9:49.

(9:49:54) – Commissioner Hicks recommended following the Carson City Board of Supervisors guidelines for applicant interviews. Chairperson Peterson announced that only Ms. Bailey and Mr. Vugteven were present. He invited Ms. Bailey to remain in the Boardroom and instructed Mr. Vugteven to remain in the lobby until called. The Commission interviewed both candidates who presented their qualifications and responded to Commissioner Questions. The interviews may be viewed in their entirety on the Carson City Website at:

https://carsoncity.granicus.com/player/clip/2270?view_id=2&redirect=true&h=00946c2989960e ea2071b363f9547dac.

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(10:03:50) – Ms. Bolton disclosed the number of hours and highlighted the heavier workload during the Polar Express event. Chair Peterson expressed concern that should a contract be awarded to Ms. Bailey, her sister, Ms. McCain would be approving the payments through Storey County. Ms. Neagos explained that the final payment approval would be granted by this Commission; therefore, she did not see a conflict and added that Ms. McCain was not a voting member of this Commission. Mr. Vugteven noted that he would require time to obtain a business license and fulfill the required insurance obligation. He also wished to provide the Commission the opportunity to of hiring someone who has already established the aforementioned criteria. Ms. Neagos clarified that the agenda had not specified that all applicants be present at the meeting and the Commission wished to highlight the experiences of the other applicants.

(10:23:25) – At the conclusion of the interviews Chairperson Peterson thanked both applicants and the Commissioners began deliberations. Treasurer Kruse noted that Mr. Quattrini had previous experience as an Executive Assistant and had handled Board events. Discussion ensued regarding the remaining candidates and Ms. Neagos advised that the Commission could delay the decision-making and schedule a special meeting for that. Chairperson Peterson recommended deciding as soon as possible in order to have a contract for review at the Commission’s August 2023 meeting. Ms. Boyle suggested allowing time for the recipient to review the contract as well. Ms. Bailey clarified that she would get new business licenses (in both Carson City and Storey County) within a few weeks, should she be offered a position. Treasurer Kruse felt ready to move on, even though she would have preferred to meet the other candidates as well. Chair Peterson agreed and noted that the two candidates had chosen to show up. Commissioner Hicks felt that the Commission had a choice between two qualified candidates. Vice Chair Mitchell stated that the Board had done a “full RFP (request for proposal) process which is a barrier to entry.” Discussion ensued regarding the process to award the contract.

(10:44:29) – MOTION: Vice Chair Mitchell moved to authorize the Chair to negotiate a contract with Cheryl Bailey for the position of Executive Assistant and to bring it back to the next regular Commission meeting for approval. The motion was seconded by Treasurer Kruse and carried 5-0-0. Vice Chair Mitchell thanked both applicants and emphasized the qualifications Ms. Baily had to bring private sector and financial experience to the position.

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPLICATIONS FOR THE POLAR EXPRESS THEATER PRODUCTION SERVICES CONTRACT POSITION AND POSSIBLE AUTHORIZATION OF THE CHAIR TO ENTER INTO AN AGREEMENT TO BE RATIFIED BY THE V&T COMMISSION AT ITS NEXT MEETING.

(10:47:15) – Chairperson Peterson introduced the item and highlighted the background presented in the Staff Report. He also noted that he, along with Commissioner Schmitter, would meet with Carla Wilson who had expressed interest in managing the 2023 season Polar Express Theater Production Services. He noted that Ms. Wilson also had requested the presence of Operations

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Manager Tom Gray and Sales and Marketing Coordinator Candy Duncan at that meeting. Chair Peterson explained that the intent of the meeting was to return to the Commission with a proposed contract for their review and approval, adding that in conversations with the CEO and team at Rail Events, Inc. he had been informed that the Commission would not be financially liable if they do not pursue the Polar Express event with the caveat that they would not have a competing event during that timeframe. Discussion ensued regarding the exact contract timeline and Chair Peterson was informed that Rail Events was still in negotiations with Warner Bros. Entertainment Inc. regarding the timeline.

(10:53:52) – Chairperson Peterson informed the Commission that he had discussed merchandising with Rail Events, Inc. as well and was told that “anything that is required pursuant to the agreement (e.g. bells) they will set aside the inventory for us to purchase those things and they will get here in time.” He also added that they could not guarantee items such as swords that had been sold out for the year. As for the ticket sales, Chair Peterson indicated that Rail Events, Inc. had required confirmation of ticket sales prior to selling any tickets based on number of cars and number of runs. Ms. Bolton explained that unbranded items could be sold and recommended purchasing toys instead of home goods. She also noted that some excess inventory was still present. Chairperson Peterson entertained a motion.

(10:57:57) – MOTION: Vice Chair Mitchell moved to authorize the Chair to negotiate a contract for Polar Express Theater Production Services with Carla [Wilson] and to bring it back for authorization and review at the next regularly scheduled V&T Commission meeting. The motion was scheduled by Commissioner Hicks and carried 5-0-0.

11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING AUTHORIZING ONE OR MORE MEMBERS OF THE V&T COMMISSION TO ENGAGE IN DISCUSSIONS WITH STATE OF NEVADA AGENCIES WITH COMMON GOALS AND OBJECTIVES REGARDING THE LONG-TERM VIABILITY AND SUSTAINABILITY OF THE V&T COMMISSION.

(10:58:34) – Chairperson Peterson introduced the item and gave background, emphasizing financial challenges. He requested that the Commission allow him and Vice Chair Mitchell to reach out to the State of Nevada to discuss the possibility of future collaboration with the State while complying with the Open Meeting Law guidelines. Vice Chair Mitchell believed that the discussion should go beyond “surviving” and to make the Railway “a complete functioning system” and to streamline operations. He also noted that the plans should include preparations for legislative action and wished to ensure that the discussions would not violate the Open Meeting Law should they get deliberative in nature. Commissioner Schmitter was informed by the Chair that he had already outlined which State agencies he would start with, and would prefer staff-level discussions at first, prior to engaging the Boards. Ms. Neagos clarified the fact-finding aspect of the Open Meeting Law. She stated that a single member of a body could engage in negotiations without violating the Open Meeting Law; however, when two members attend discussions and

deliberate with another body and then return to the Commission to report back, they may be in violation of the Open Meeting Law. She offered to look into it further and advise accordingly. Vice Chair Mitchell suggested authorizing the Chair to have the conversations at the State-level and return with ideas. Mr. Gray offered to support the discussions from a non-Commissioner standpoint. Discussion ensued regarding extending the line, capital needs, funding sources, etc., and Vice Chair Mitchell believed that a State-level buy-in would be helpful.

(11:25:47) – MOTION: Vice Chair Mitchell moved to authorize the Chair to engage in discussions with State of Nevada agencies with common goals and objectives regarding the long-term viability and sustainability of the V&T Commission and to report the results of those conversations back to the Commission. The motion was seconded by Commissioner Hicks and carried 5-0-0.

12. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

A. OPERATIONS REPORT

(11:26:23) – Ms. Bolton noted that June was an “all systems go – things are moving” [month]. She also stated that they had sent an additional “reach-out letter” regarding the “Drako Coordination.” Commissioner Hicks inquired whether it was time to send a stronger letter to the property purchaser. Ms. Neagos cautioned against discussing the item as it was not agendaized for discussion.

B. TRAIN OPERATIONS REPORT

(11:28:53) – Mr. Gray praised Ms. Duncan’s work and noted that several minor repairs had been performed. He reported that the indoor and outdoor security camera “electrics” were working and recommended nighttime security “on the Saturday nights that the train’s there.” He also recommended enlarging the parking lot of the Carson City Depot and “repaving the Carson City stripe.” Chairperson Peterson recommended that Mr. Gray attend the previously discussed conversation with SNC. Mr. Gray noted that he was pleased with what he had seen so far regarding the electric rail bike prototypes and “once we feel real comfortable with the bike, I’ll order some and we’ll go from there.” Chair Peterson suggested having each member go and check it out separately. Ms. Bolton stated the camera lenses were the issue and needed replacing. Mr. Gray suggested selecting a corridor for future use even though it would not be developed right now. Chairperson Peterson announced that the Culture and Tourism Authority (and Douglas County) were awarded a Destination Development Grants by Travel Nevada for a Cultural Corridor. Mr. Gray also noted that a local film segment had received a standing ovation at the Cannes Film Festival, adding that a digital catalog had been developed and made available to the film industry. Ms. Bolton added that a report had been generated to outline “what we do day-to-day” relating to Board relations and marketing.

C. UPCOMING MEETINGS

COMMISSION MEETING ON AUGUST 23, 2023

(11:42:10) – Chairperson Peterson read the item into the record as a reminder.

**D. COMMISSIONER COMMENTS, ANNOUNCEMENTS, AND
REQUESTS FOR INFORMATION FROM STAFF.**

(11:42:18) – Commissioner Schmitter inquired about the Commission retreat and Ms. Bolton noted that it would take place in February.

16. PUBLIC COMMENT

(11:45:01) – Gabriel Willaman, Track Maintenance, reported that the track inspections had not indicated any issues.

17. FOR POSSIBLE ACTION: TO ADJOURN

(2:46:38) – Chairperson Peterson adjourned the meeting at 2:46 p.m.

The Minutes of the July 26, 2023 Nevada Commission for the Reconstruction of the V&T Railway meeting are so approved this 23rd day of August, 2023.