

**NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY**  
**Minutes of the Wednesday, October 26, 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, October 26, 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=2133](https://carsoncity.granicus.com/MediaPlayer.php?view_id=2&clip_id=2133)

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

**ABSENT:** Commissioner Leah Kruse

**1. CALL TO ORDER**

**David Peterson:** The Nevada Commission for the Reconstruction of the V&T Railway. It is Wednesday, October 26th, 2022. It is 9:08 AM and you all are in the Carson City Community Center Robert Bob Crowell Board Room. I am here in Funner California. Don't laugh. With that, Allyson, could we get a roll call please?

**2. ROLL CALL AND DETERMINATION OF A QUORUM**

**Allyson Bolton:** Yes. Clay Mitchell.

**Clay Mitchell:** I'm here.

**Allyson:** David Peterson.

**David:** Present.

**Allyson:** Stephanie Hicks.

**Stephanie Hicks:** Here.

**Allyson:** Jim Wells.

**Jim Wells:** Here.

**Allyson:** Leah Kruse. Not present.

**David:** Great. We have a quorum. Wonderful. Thank you, everybody. If I could get everybody to please stand, we'll do the Pledge of Allegiance.

**3. PLEDGE OF ALLEGIANCE**

**All:** 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:** Great. Thank you, everybody. We'll move on to Agenda Item 4, Public Comment. At this time, the public is invited to comment on or discuss any topic that is relevant to or within the authority of the public body. Do we have any public comment in the room? Seeing none, we'll go ahead and move on. Thank you. We'll go ahead and move on to agenda item 5, for possible action: approval of the minutes of the September 27th, 2022 meeting. You all have the minutes in your packet. Are there any edits, changes, amendments, or additions that anybody would like to see?

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

**Allyson:** This is Allyson Bolton. We do have a few edits to the minutes. The first is on page eight, about two-thirds down. It has David doing a second on a motion, which he cannot do. I can go back and listen through the meeting, unless someone in this room, Jim did the motion. Either Clay or Stephanie did the second. It says, "Super. That was a beautiful motion. I will happily and gratefully second that motion."

**Clay:** That was most likely my alter ego or me. Sounds like something Clay would say.

**Allyson:** We'll update that as Clay Mitchell for the second on that motion. The next edit, there's a handful of places where it states the word stables and the word should be stay bolts. I'm going to go through those changes right now. It's under item 9 on page 9, second paragraph, line 5; page 10, fourth paragraph, line 10; and page 11, fifth paragraph, line 3. The next edit is on page 18, item 12, line 10. It should be agendize, not agendas, and lastly, page 30, seven lines from the bottom. A misspelling of Mihaela's name. It's spelled M-I-H-A-E-L-A.

**David:** Thank you, Allyson. Does anybody else have any changes on the Commission? My peers? I'm not hearing anything. [crosstalk] Oh, okay. Thank you, Jim. Okay, great. Anybody want to make a motion then on the minutes from last month's meeting?

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

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

**Clay:** I'll second it. It's Clay.

**David:** Thank you, Clay. We have a motion and a second. Any further discussion? All those in favor, signify by saying aye.

**All:** Aye.

**David:** Any opposed? Great. Motion carries unanimously. Thank you, everybody, and thank you for those changes, Allyson. Okay, Let's move on to agenda item 6, for possible action: discussion and possible action regarding the V&T statement of accounts payable checks paid September 1st through the 30th and in your packet, you have the invoice listing for the accounts payable checks totaling \$64,104.15. Jim, do you want to make a comment on the last month's checks?

**6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID SEPTEMBER 1-30, 2022.**

**Jim:** No, I don't have any comment on the checks part.

**David:** Okay. great. Any questions from the Commission? If not, happy to entertain a motion.

**Clay:** Sure. This is Clay. I'll move to approve the statement of accounts payable checks paid September 1st through 30th, 2022.

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

**Stephanie:** I second.

**David:** Thank you, Stephanie. We have a motion and a second. Any further discussion? Seeing none. All those in favor, signify by saying aye.

**All:** Aye.

**David:** Any opposed? Motion carries unanimously. Thank you, everyone. We'll go ahead and move on to agenda item 7, for possible action: discussion and possible action regarding the adjusted V&T Fiscal Year '22/'23 budget report for the period ending September 30th, 2022. You have the comparative statement of adjusted revenues totaling \$669,903.17, and expenses totaling \$171,865.31 in your packet. Any questions, concerns? Jim, do you want to add anything on this one?

**7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T FISCAL YEAR 22/23 BUDGET REPORT, PERIOD ENDED SEPTEMBER 30, 2022.**

**Jim:** Yes, this one. I'll add a couple of little things.

**David:** Thank you.

**Jim:** First off, there's a slight difference in between the checks and the total amount for the claims, and that typically is either credit cards or the deposits that we received from the special train that we had running last month. Those are in there, but not necessarily checks, so there's a slight difference in that. The September revenue for the trains is not in there because I still have not yet received the September bank statement. I have no idea what the revenues are other than the license plate revenue that we got.

Then lastly, the contracts. I know that there are, I think I've got three contracts right now, but I don't think I have the final contracts. I need to get copies of the final contracts so that I can add them to the list because I think what we've done is the approved the negotiations, but I don't have any of the signed ones.

**Stephanie:** For which contracts?

**Jim:** The Carson City DA, the Coons Construction, and the High Sierra Patrol. Those are the three I know of.

**David:** We will get those. Jim, We'll get the PDF versions, the whole fully executed contract with all the attachments to you.

**Jim:** Perfect.

**David:** Yes.

**Jim:** That's it for me.

**David:** Thank you, Jim. I just want to ask the number. You're okay with the numbers, even though I know they don't include the things you just discussed? You're good with the numbers as they were presented?

**Jim:** Yes, the numbers are accurate. We still have two small variances between what our budget reports say and what Storey County say. They have a couple of typos on their data entry side, so we have identified them and sent those to Storey County, but they have not yet been fixed as of the reports that came out for this month, but I'm comfortable that these are accurate.

**David:** Okay. Thank you, Jim. Any questions, Stephanie or Clay? [crosstalk] Sorry, Clay, go ahead.

**Clay:** Just to confirm that we're missing both Polar revenue or do we not book that until a later period and then also general trained revenue?

**Jim:** Yes, all the train revenue that comes in through Fare Harbor and then deposited to the bank and we've been booking it as it comes in. It's technically prepaid, but it's done all within the year. We just have been

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recording it as we get the bank statements. This July and August that revenue in there is in there for both Polar and the regular trains. It's just the month of September that's missing still.

**Clay:** Great. Thank you.

**David:** Allyson, do you know how much revenue we might have brought in for September for Polar, by any chance?

**Allyson:** I could pull those numbers. It would just take me a few minutes to be able to identify that within the Fare Harbor account.

**David:** No, that's okay. That's all right. We're still okay. You guys I'm looking at the report. We seem fine and hopefully, we'll fix, get caught up for the 30th of November, maybe with September and October's revenues.

**Jim:** Maybe.

**David:** Maybe. Okay.

**Clay:** Let's talk about it after the election.

**David:** That's perfect. All right. Great. Stephanie, I couldn't tell if you were trying to ask a question or not?

**Stephanie:** No.

**David:** Okay, great. All right. If there are no other questions for Jim, I'd be happy to accept a motion on agenda item 7.

**Stephanie:** I move to approve the budget report for September 30th, 2022.

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

**Clay:** Yes, this is Clay. I'll second it.

**David:** Great. We have a motion and a second. Any further discussion? Seeing none. All those in favor, please signify by saying aye.

**All:** Aye.

**David:** Any opposed? Great. Motion carries unanimously. A thank you on this one. Wonderful. We will move on to agenda item 8, for possible action: discussion and possible action regarding proposed changes to the V&T Commission's contracts with Virginia & Truckee Railroad. This one huge thanks to Clay and to Stephanie for taking the time and to Tom Gray for the three of them getting together, to hash out some changes and updates for our next proposed contract moving forward with Tom. I'm going to mute myself if that's okay, Clay and Stephanie, and turn it over to the two of you to talk us through the negotiations.

**8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED CHANGES TO THE V&T COMMISSION'S CONTRACTS WITH VIRGINIA & TRUCKEE RAILROAD.**

**Stephanie:** Sounds good, David. Thank you. I also want to thank Allyson and Leah because they are also part of these conversations with Tom. I think our intent for today is to just go over some high-level discussion items and talk about the direction that we're headed with the contract before we bring back to the Commission an actual document. I'll run through these and then, either stop me if you have a question or we can go back and have questions at the end, however you prefer to do it. Right now, we have-- in discussions with Tom, he is agreeable to a five-year contract, which we think is good to have that little bit of a longer-term on there.

Obviously, with some ways, either party could terminate, but we also decided based on some discussion with Tom to include a clause that could potentially allow him to turn the agreement over to a designated company or entity. Not knowing exactly what his succession planning might be in the next five years. It gives him some

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flexibility there. That's one item we wanted to include. We have had several conversations about what that contract document should look like. I think it was agreeable at one point in Commission conversations that we would really like to have one master contract document with all of these items included in it. Unfortunately, we haven't been able to get our hands on what we think may be the right type of document and that's some charter agreement. We just haven't been able to get an example from anybody and none of us have drafted those previously. I think where we're headed is to take that state template for the sole source agreement and use that as our cover master that covers all of those boilerplate terms and conditions that were repeated throughout the different documents, and then we would create a separate schedule of work for each of the items.

We'd have one for the train service with a fee schedule. We'd have one for the intellectual property license, and then a third one for the locomotive 18 lease agreement. We initially had a fourth agreement, which was the rental of the depot space or retail space but since we're not doing that anymore, to my knowledge, that just leaves us at the three. In regard to the train service agreement, right now, the fee structure remains the same with a more detailed fee schedule to include special events and costs.

One of the things that we realized as we worked through the contract negotiations is there was actually something already in the contract that stated that the Commission should be reviewing that fee schedule annually, and so what we would like to do is implement that and have the fee and operating schedule be reviewed and revised each year by March. What that allows us to do is be able to take a look at how we're actually going to be operating the train for a season and in advance of our budget to then have that conversation about what fees maybe need to be revised before the season starts.

We kind of looked at it that way. What that would mean is if we bring an agreement back to you in November, we won't have changes to that fee schedule yet because we won't have that conversation until this spring. Then, the last thing was changed language to include schedule and fee changes to be approved by the Commission Chair with ratification by the Commission. We talked about that a little bit with this last increase that Tom asked for because of fuels. We'll incorporate some language to provide that flexibility during the season.

In regard to the intellectual property, as we went through that with Tom, there really weren't any major changes to the contract itself. I think it was a great exercise because it helped us realize there were some things that we hadn't necessarily implemented on our end on the website, which all of those have since been corrected. Then, we were going to add language that if the train services agreement terminates. We would continue to use the Virginia & Truckee Railroad's intellectual property in connection with the long lines. Just providing us a little flexibility there if something changes in the future.

In regard to locomotive 18, we proposed adding language that the Commission will budget for annual repairs and that the Virginia & Truckee Railroad agrees to provide an annual update on repairs. Again, I think this gives us an opportunity at our retreat or early the beginning of the year before our budget for the next year to talk about some of the needs that we may have for repairs and then also figure out how we're going to budget for those. One new item is that VTRR is requesting storage rent at a rate of \$1,400 per month. With some of the additional cars and engines that Tom has been able to acquire, there's need for a new storage building. We are taking up space and we have been for the 18, for quite some time. He's proposed a rent rate of \$1,400 per month and then again, all other fees, we would negotiate on a yearly basis. I think there was a fee for him to rent back the 18 that we talked about that being something we should be looking again at on an annual basis. Those are the very high-level items. We're looking forward to your input and feedback before we put paper to pen or pen to paper.

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**David:** You might be jabbing the pens through paper. Thank you all. I didn't mean to short Leah and Allyson for their involvement in this, so I apologize for not referencing them earlier. Thank you for walking through this. Can we start at the top? You mentioned about the fact that we have not been able to get examples of either train service operating agreements or charter service operating or charter service agreements. Is the proposal then to stick with structurally at charter services agreement?

In other words, they would be flat cost to us whether 2 people ride the train or 250 people ride the train? There was no discussion about shared risk, shared reward from a revenue perspective.

**Stephanie:** We had initiated that conversation with Tom. We brought it up and we discussed the concern with it. I think we all realized that the place for that conversation is again when we review Schedule A and we talk about what our season's going to look like because I think this year, we realize there were some things with how we changed our schedule. It worked out better for us to try to have a certain number of passengers and fill those trains but by doing that and changing the schedule, there were some effects on the operation side that we didn't necessarily know about when you have to drain the engine and things like that.

I really think that conversation should be had at the retreat. Whether there'll be significant changes or not, I can't say at this point, but I think when we look at the operating schedule as a whole, I think that's an appropriate discussion to have. That's why I think it's really important for us to be looking at that schedule year after year because when you think about it, this agreement's been in place for quite some time and there haven't been changes either way if to Tom's benefit or to ours.

I think when we're able to see how our season was the previous year and talk about where we are as far as sustainability, I think that's a great place to have the conversation.

**David:** Thank you, Stephanie. Then, it sounds like you are okay with using, in the absence of having a sample for a charter services type agreement, we could use the state's contract template and then within that, where you would have the different attachments as I understand it because I know we need to include you referred to the sole source will have to put that in right as an attachment, and we'll have an insurance schedule and then we'll have maybe the charter service agreement schedule or something like that might be CC, that's what you and Clay were thinking?

**Stephanie:** Yes. Those things that I think have been duplicated throughout the different contracts that because they're just typical terms and conditions should all be in that main sole source document and then we'll be able to really weed it down to the scope of work for each of those individual items within the attachments is what I'm hoping. That's where we think we're headed, but we wanted to make sure everybody was agreeable to that.

**Clay:** If I can just chime in here a little bit, and thank you, Steph. You did a great job of covering it. We found that the current contract already has a provision for an annual review of the service agreement, but there were remnants of numbers and terms within the main contract body and it didn't seem to make sense to have some of the costs and things reflected in an attachment and some of them peppered throughout a document that really we don't want to change for five years.

The idea philosophically was pull anything that may need to be adjusted into that service agreement, which we will then put a renewed emphasis on updating annually so that we don't have to go through and make changes. We don't anticipate having to make any changes to the main body of the contract.

**David:** Thank you, Clay. Jim-- Sorry, I don't want to hog the floor with all of my questions on the top section so did you have any questions there, Jim?

**Jim:** No, I just appreciate all the work that's done on this and I think Clay's right. I think if we have one schedule that we're looking at on an annual basis and looking at it from what our plans are for that given

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season, I think that makes just a lot of sense to me. It also has some then ability for Tom and the V&T Railroad to come in and say if that's what you want to do, this is what it takes. I think that's the discussion that then becomes that annual discussion. I like the whole concept of what they've put together.

**David:** Great, Jim. Thank you.

**Clay:** Just to revisit one of the things that I think expressed by Tom originally but we agreed with, was just from a practical perspective, making sure that there's the ability to adapt as things happen. That's why we're proposing that changes could be made and approved by the Commission Chair and then it would come back to the whole board for ratification. Not anticipating big changes but as things come up, we don't want to be hamstrung having to wait for our next meeting to be able to say, yes, we can go ahead with that or no, we can't.

**David:** I like having that flexibility, you guys. I think that's wonderful. Then, as far as when we set the schedule up, because I'm thinking I like your March 1st because we could maybe discuss that at the February meeting, that would allow us to not just look at Saturday, Sundays but it would allow us to look at specific weekends around events that we might know that are coming up as well.

Does that give us that flexibility, where we might have a cool event either in Virginia City or there, could be something in Carson City and we want to be able to have trains for that particular weekend outside of the normal weekend schedule? Is that something that you think it's almost okay with?

**Clay:** I think the conversation was around trying to give some predictability for the particular operating season so we know what we're dealing with the real world on the ground factors that we're dealing with as far as cost, as far as how often we're going to run, all of that stuff which will then allow both us and Tom to prepare for that upcoming season. It's close enough to the season start that as we're going into our budget planning, we can also include any special things that we anticipate we might do. Those are already laid out what the cost is so we can plan for them.

The idea is that we think that's the right time of year to be doing it. We're usually that's the same time of year we're updating our strategic plan for another year and we're looking at creating our budget. It's a time of year that makes sense to get that stuff done. It's also when we're not operating and so it's a good time for us to be looking at a post-mortem on the previous year and then putting everything in place. We envision it being a little more robust than the current one. It's just to make sure that it accounts for things like whole train rentals and charter, whatever all the different things in addition to the regular runs.

**David:** That's great. Thank you. Then, could I just ask two of you a question on the bottom the locomotive 18, the \$1,400 for the rent, how was that determined or calculated? Was that based on the percentage of space that we occupy with the 18 relative to Tom's construction cost or his mortgage or cost for the whole building? How was that amount arrived at?

**Clay:** Roughly, it was a percentage, and Tom, you're welcome to correct me if I get this wrong, but it was roughly reflected a percentage of the cost to house the actual piece of equipment based on the cost to construct the space for it.

**David:** I didn't know Tom was there.

**Clay:** He just walked in a couple of minutes ago.

**David:** Okay. Sorry. Hi, Tom. It is just like a shared percentage of the construction cost then?

**Clay:** Yes, and just to get it on the record, the current space that the locomotive is occupying is not necessarily designated storage space, it's working space, it's a repair space. It's not necessarily the ideal place to be storing it because it limits the amount of work that can be done in that space.

**Stephanie:** I guess I would just add to that while that is something new and different for us, as far as the

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protection of our asset and engine 18, I think it's necessary and we obviously don't have that storage space on the Commission property. I think that considering that request is really appropriate.

**David:** Sure, I agree. I was just wondering how the number came about. Then, Stephanie, you mentioned on the all fees negotiated yearly. Right now, in the second agreement, we have that it's the weird thing where it's the \$500 every day that the 18 is used that we've had we put a maximum of the \$20,000 for each year of use. Do you see that moving forward or since we're merging everything together, does it reduce per run cost rather than having an expense and then expense and a revenue? Is that how you're envisioning?

**Stephanie:** That's one of the items that Clay mentioned where we have some costs that are outside of that schedule, that talks about the runs and the cost per train. We want to bring that conversation in with that annual review and that fee schedule. We'll have that conversation on an annual basis.

**Clay:** If I can give just a little bit of background on that, that mechanism was put in place as I understand to ensure that a certain amount of money was set aside for some of the maintenance and repair needs for the locomotive. It really wasn't about a rent back. It was a mechanism to just to assure that there was money there for that need. I'm happy to hear what the rest of the Commission wants to do but I prefer a little more straightforward approach in that regard where we budget for what's needed directly and that's understood. Then, certainly if there is, and sounds like it's pretty rare, but it sounds like if there is a usage that Tom has for that locomotive that we can talk about that but that's not a normal occurrence. Then, it simplifies our bookkeeping a bit because we just go net on the cost for the runs that are made and there's not a money-in-money-out thing. We are budgeting for what needs to be done as far as the maintenance and the repairs.

**David:** I'm all for that to simplify that weird spend X and get Y back. I think if we could clean that up, that would be great. How much do you think we're worth we might need to add into the contract then for potential maintenance or repairs? Is there a rough dollar amount that you all discussed per fiscal--? You're realizing that something could happen at any point, below the maintenance or repair cost budget out of the water. Is there an approximate cost?

**Clay:** I'd love any input that Tom has on that. There was a cap on that what is about \$20,000 annually is what it was set up as. I guess the question would be if that's a starting point for us when we're looking at budgeting, is that sufficient? Are we going to need it augmenting it? That's the only number I think that we have as some metric to start with. Tom would definitely have a better idea of actual needs or what they've actually done in the past. Tom, you have an idea?

**David:** Sorry, you guys. Is there any way--? Oh, I see Tom but Tom, could you come up only because I can't hear you. Sorry about that.

**Tom Gray:** Tom Gray, Virginia & Truckee Railroad. It varies every year but it was just a good stab at something taken a guess at so there was a bucket of money for repairs. Then, some repairs can be delayed, like it needs a new tender. All the steam engines need a new tender but we can take that down the road when there's no other repairs. Right now, the number 18 needs the front end work quite a bit of that. Then, some days going to need new tires. When we did the 1,472-day inspection, we didn't realize we'd have to put all that boiler work into it. The next inspection, we don't think we'll have to. It's just a good guess.

**Clay:** Understood. It seems to me that something like a tender replacement, something we put in capital improvement plan as opposed to a repair budget even though an overhaul may be the way that we go with that, but we can get that in the plan so that it's budgeted for. Then, I think maybe every year as part of that annual is we're looking at the scheduled operations and things we can revisit.

I think that's what we're envisioning was that number is something we'd revisit and forecast based on what we knew each year when we look at, how much we've used it, how much we're planning on using it, and

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again, a stab at it. We don't know exactly what's going to happen but I think just for us notionally, we can look at that \$20,000 number as a starting point, and then if it's not sufficient, then we can look at it the next year but otherwise, that gets us started.

**Stephanie:** I agree. I think that as we were talking about this, one of the things that came to my mind is it'd be really nice if we could create a quick spreadsheet to show a five-year capital improvement plan so that we know some of these things that maybe don't have to happen next year, we just program out over the next couple of years so that it's really easy for us to see where we're headed with those types of costs. It would, again, just provide us a list of those things that we know at some point we're going to have to put some money into.

**David:** That's a great idea. I wonder could we include something like, we have the schedule A for the runs themselves. Could we have, whatever we call it, Schedule B or G or whatever for yearly maintenance and repairs? Tom, as you were talking about tender and the front end work and the wheels and everything, we could lay those out from a planning perspective so we budget accordingly around. Is that fair to think that we could at least take a stab at having something like that in this initial draft for next month?

**Tom:** Yes, but it's just a guess. You need that for the track structure probably even more than for the engine. Sometimes it's a matter of opportunity to get the repairs done too. The specialized people that I am able to get. Sometimes that's the biggest deciding factor.

**David:** Understood.

**Clay:** Mr. Chair, I'm not sure I'm convinced that the contract is the right place for that kind of detail. It seems like maybe through our budgeting process and we create a capital improvement plan and maybe there's a gross number that passes through to the operating agreement for the year that's upcoming. I'm not sure. Additionally, as Stephanie mentioned, we are not anticipating really attacking any of the numbers on the annual operating agreement right away. We're going to wait till into next year.

The idea is get the contract in place, get the structure in place but then really when we're looking at our annual planning, January, February is when we'll turn our attention to that kind of thing.

**David:** Sorry. On the repair side too, maintenance you want to examine that prior to March 1st as well?

**Clay:** To me, that's what it makes the most sense once we finish operating for the season.

**David:** Sure. Tom, could I just ask you just a quick follow-up question? Is there anything that needs to be done? When we finish Polar, is there anything that would need to be done before we start up again next May on the 18th?

**Tom:** Yes, we have to do that front-end work. This week, since it's a last steam run, we drained the boiler out and we dried out the engine, winterized it, and we also washed the boiler. Then, we will separate the tender pretty quick and then start some of the annual inspection work. When the tender's apart, you do certain work and then we'll schedule our inspections for that engine. I don't know, maybe in April is when I usually do it, but I might do it in January this year. That's the biggest hurdle and then getting everything done.

**David:** Great. That's good.

**Jim:** Mr. Chairman, one thing I'd like to point out maybe is that we are in the second to last year of getting some fixed revenues that are one-time in nature and we need to look at putting those monies aside to pay for things like the tender that are just not going to be feasible out of our normal operating revenues and expenses.

I think that some of the money that we're taking in is lumped into our operating budget but I think at some point, we need to look at dedicating those one-time resources to this work that needs to be done. Not every year but big things like a tender either replacement or overhaul and I think it's time to start putting some of

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that money aside.

**David:** I agree with you, Jim. That's a great suggestion. It makes perfect sense to me.

**Clay:** I will point out that in our current budget, we have about \$10,000 set aside that has not been used for repairs. The timing on an update in February, let's say gives us enough time that if there's an augmentation needed or something like that, we still have the wiggle room to both get work done before the season starts and fund it. It seems like that's the right cycle.

**David:** I think that's great. I like that we're trying to get ahead of the budgetary side of this. I think that's great because that's something I don't think we've been in that position to be able to do that and know going into the next fiscal year that we actually have dollars set aside to do this and this as far as repairs. I like that. Are there any other questions? I'm sorry I don't want me to hog the floor here. Are there any other questions, Jim, that you have or comments?

**Ken:** David, this is Ken. I've got one and this is probably Tom, since you're sitting here. When you're talking about the fee structure, and this doesn't have to be in the operating agreement. I agree you have a separate document to deal with those fees, but it would be helpful from a budgetary standpoint. We always rent a work train from Tom and also some equipment if we could establish what those rates are going to be when you get it to that point because sooner or later, you're going to ask me what a maintenance way budget is. I'm going to figure out three days for a work train or something like that. If we knew what those numbers are, that would be really great to help identify what those costs are going to be.

**David:** Yes, agreed.

**Ken:** That was all.

**David:** Ken, sorry, I didn't hear the first part there. Are you suggesting that we have a separate equipment rental schedule that we could ask Tom to put together but it's outside? I didn't hear the first part. If you said outside of this agreement, is that what you were asking for?

**Ken:** Again, it's going to be costs that we're going to have to pay Tom to utilize that equipment. If you want it in the operating agreement or want it in the separate fee schedule, that's negotiated on a yearly basis. That's fine. Again, I try to take those numbers and project what we're going to need for the following year when we get into our budgets. Jim and I had the conversation earlier this year, our maintenance way budget is not just Gabe's contract amount.

It's equivalent rental and material costs, and this and that. Those are all part of the maintenance way costs, so knowing what to budget for those would be great.

**David:** Okay. My fellow Commissioners, what is your thought on Ken's ask as far as inclusion in or separate equipment rental schedule?

**Clay:** To me, it seems like it makes sense to just have that in our annual operating agreement because then it can reflect any changes in actual costs. Basically, we just lay out for the year anything related to operating trains or anything related to this relationship under the contract. It can be updated in a manner that gives us the info we need going into budget season.

**David:** Thank you, Clay. That's great.

**Stephanie:** Just for the record, I'm good for it. I'm good with it as well. I think as long as Tom's comfortable with it, the ability that we're going to be looking at that on an annual basis would reflect any ups or downs in the changes of those costs. I think it gives some flexibility there.

**David:** That's great. Hey, Tom, are you okay with that?

**Clay:** No, it's all good. Just, are you okay with giving us a price on whatever it would take to run equipment when we do the annual update in February or whenever?

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**Tom:** Usually Ken asks me for one every couple of years when we get it figured out.

**Clay:** We can just throw it in when we're doing the other rates for things. I wanted to point out an example of one of the reasons we felt it was important to put a little more, a little extra emphasis on this schedule. We were talking about, for example, doing special event trains, and things like that. If I'm remembering this correctly, Tom, correct me if I get it wrong. One of the issues is if we're doing, for example, alcohol as part of events, the cost for the insurance is variable based on how often we're doing something like that. If we're just doing those as a one-off, we don't really have a good way to forecast what that would cost.

Whereas if when we're planning our schedule for the coming year can say, "We're going to do this many trains that include that type of an environment," then we can get an actual quote for that much usage and make the plan to make sure they're properly covered. There were some other benefits to getting a little more structured on locking in what our operations are going to be. It's the time of year to be doing it. That's usually when we do the retreat and the strategic plan update, those kind of things.

**David:** I love it. Oh, I think that's great you guys. As we're building out if we're going to do some toast of the canyon or some spirits trains. Knowing that ahead of time, I think that's, I like it. I like the pre-planning.

**Tom:** I'd like to add something to that. In theory, that's what I was trying to do, but in reality, it doesn't work that way. They get so out of control and people bring it on board and I'm personally there. If I'm personally there, I feel pretty comfortable about making sure people behave but they're so out of control that trains and alcohol just don't mix. In theory, that's the way we should do it, but it doesn't work out that way.

**Clay:** Well that's fine. We can make the decision not to mix drinking and driving on the rails. That's something we can deal with each year and say, "Hey, these are the type of events we want to do," and we can discuss whether they're feasible or not. If it's something that's in the mix, that's the time to deal with it.

**David:** Sounds good. Any other questions from anybody, Jim or anybody? Well, I'll just, please, thank you all for your work in getting us to this point. I'm excited to get this train on the track and get us a five-year agreement moving forward. Many thanks to each of you. I know that we have a recommended board action. Michaela, should we? Do we need to take that? Do we need to call for a motion on this?

**Mihaela Neagos:** For the record, Mihaela Neagos, Deputy District Attorney. It is really up to the Commission if you'd like to make a motion. This was initially set for discussion only. If you have anything that you would like to direct the Commissioner [unintelligible 00:53:56] Mitchell to do in the future that this is the appropriate time to do it, but if you're fine with what was presented, I don't believe it's necessary to make a motion.

**David:** Thanks, Mihaela. I think it's just fine-tuning everything. Working with you then on getting a contract drafted and getting the appropriate attachments drafted. Then bring back that contract packet on the 30th of November.

**Stephanie:** That's our plan is that we're going to package this up and bring back the document for November. We know that we typically don't have a December meeting, but we still feel if, well, after we get that put together, it still needs to go to Tom's attorney. There's some time that it will take for that review as well. I guess we're expecting that actual approval may not happen until January or February when we're talking through some of these other things. We want to get the document in front of this Commission and then to Tom's attorney.

**David:** Well, maybe we could, I hate to suggest like a special meeting in December. If we needed to, we could do just a one agenda item special meeting, so we have something in place for January 1st.

**Stephanie:** We could, but when we were talking before we felt, and if Tom feels differently, please let us know, Tom, but we felt that since usually once Polar's done there's nothing that starts up right away. That

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little bit of a gap from December to January or February would be okay to get things finalized.

**David:** Oh, okay. Oh, great.

**Stephanie:** We really essentially wouldn't be operating outside of an agreement because some of those other ones are still in place.

**David:** Wonderful. Well, any other discussion on agenda item eight? If not, we'll just let you guys keep moving along with Tom, and thanks to all of you. Great. Thank you, everybody. Great work on this. Appreciate it.

Let's move on to agenda item nine for possible action: discussion and possible action regarding amendment number one to contract for services of independent contractor with Atypical Consulting and Events to increase the total contract amount by \$437,000 for a total contract amount of \$990,000 through December 31st, 2025.

**9. FOR POSSIBLE ACTION: Discussion and possible action regarding Amendment #1 to Contract for Services of Independent Contractor with Atypical Consulting and Events, to increase the total contract amount by \$437,000 for a total contract amount of \$990,000 through December 31, 2025.**

**David:** As a reminder, this came up at our last meeting. What we're doing is we're taking a look at the current contract with Allyson. We've adjusted the scope of work also as a part of this amendment to include the additional services that she and her team are rendering for the Polar Express each year. I believe in your packet you should have, it's just a one-page amendment, so it may have printed on the back of the staff report itself. You'll see where we broke down the additional services for PEX for the remaining calendar years.

Those are, of course, yearly costs. We have production, and these are estimates, at \$30,000, sound at \$3,000, staffing at \$22,000, casting at \$45,000. Then North Pole Manager and elves, \$7,150, and the Santa transportation at \$2,100. Allyson, if you want to add any context around those costs, please jump in.

**Allyson:** Excuse me, Allyson Bolton. Some of the line items here are things that we did do last year, and then some have been added this year as we took on additional production pieces. For example, staff would be all the depot staff running ticketing, retail, hot chocolate, et cetera. Then the Polar Express cast would be the onboard. You're looking at about a cast of about 40 people that were carrying. The North Pole manager and elves was part of the former production contract. Then Santa transportation is one that we're just picking up and staffing that one as well. A lot of it is just us carrying the staff in order to do this.

**David:** Thank you, Allyson. I should just remind everybody if you recall, we did put an RFP out, but we did not have any responses to said RFP. The direction was to ask Allyson nicely if she would consider taking on these responsibilities which she has graciously agreed to do. Any questions from anybody? Again, I should add, sorry, if I could just add one thing if this isn't the full adjustment to the contract.

This is just the PEX piece, so I know we'll need to have some further discussion at the retreat in January/February about Allyson's overall contract and all the additional things that we've asked her to do. I know we're obviously pacing ahead of how we budgeted the first couple of fiscal years as far as all the work that Allyson and team have done. This is just an amendment around Polar Express to get this into her contract scope of work with the estimated dollars.

**Allyson:** The one last thing I will add is that the number falls within what has been budgeted for the Polar Express in terms of anticipated revenue and anticipated expenses. It's not any cost that wouldn't have been incurred otherwise.

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**David:** Thank you for that, Allyson. Thank you. Any questions for Allyson?

**Jim:** Not necessarily a question. I pretty much agree with it being within budget, but we have to figure out where the Coons Construction contract falls in with that too because I think that once you start adding that in, I think that budgetarily, I think we're actually going a little over on Polar, but I think it's within reason. The other thing and more importantly is I would add the provision in this language that has the subject to the Rail Events renewal.

**David:** Ah, yes. Good point, Jim. We could just swipe the language that we did on the Coons Construction one.

**Jim:** I think that would be great.

**David:** We'll add that language in there.

**Allyson:** Jim, I'm happy to send you, I've added in the Coons Construction budget into the overall, so I'm happy to send you our line items.

**David:** Any other questions, Clay or Stephanie, that you might have on this particular amendment?

**Clay:** No.

**Stephanie:** No.

**David:** Wonderful. With that, I'd be happy to accept a motion on this amendment.

**Jim:** This is Jim. I would move to approve the first amendment to the independent administrative and operations coordinator agreement with Atypical Consulting for an additional amount not to exceed \$437,000, and an amended total contract value not to exceed \$990,000.

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

**Clay:** I'll second that. Do we need to include in the motion the subject to item?

**David:** Yes.

**Jim:** Yes, I agree. Subject to the addition of the language regarding the Rail Events renewal.

**Clay:** Great. I'll second that motion.

**David:** Perfect. We have a motion and a second. Any further discussion? Seeing none. All those in favor signify by saying aye.

**All:** Aye.

**David:** Aye. Any opposed? Motion carries unanimously. All right. Thank you everybody on nine. I appreciate that. We'll go ahead and move on to agenda item 10 for possible action: discussion and possible action regarding certain credits issued in lieu of refunds and purchased gift cards for train rides issued between January 1st, 2019, and present.

Two, a proposed policy outlining any exceptions to the Commission's existing policy that no gift cards or credits be issued for train rides.

- 10. FOR POSSIBLE ACTION: FOR POSSIBLE ACTION: Discussion and possible action regarding (1) certain credits issued in lieu of refunds and purchased gift cards for train rides issued between January 1, 2019, and present and (2) a proposed policy outlining any exceptions to the Commission's existing policy that no gift cards or credits be issued for train rides.**

**David:** Just as a recap, pursuant to existing policy, no gift cards or credits may be issued to customers for train rides. In the event of operator cancellation, a full refund, not a gift card or a credit will be issued. Full refunds or rebooking are allowed only 72 hours or more before the departure with a service fee, and the Commission here asking to take an action on the gift cards or the credits that were issued before the existing

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policy.

Jim, I don't know if you would mind, and I want to thank Leah, Allyson, Jim, and Mihaela who took a whole group again to piece all of this together in terms of what happened before 2020, then what happened in 2020, what happened in 2020 forward. I'm hoping everybody has the staff report in front of them. I hope, but, Jim, do you mind just talking through all of this so we can make sure everybody is on the same page? Is that fair?

**Jim:** No, it's not fair, but I'll do it.

[laughter]

**David:** Oh, but, Jim, life is not fair.

**Jim:** Yes. Tell me about that. We put this together based on the schedule that we got from Leah and Allyson of the existing credits that are listed as being in existence. I think that if you look in different places, you're going to find different numbers for the amounts of credits that are there.

I think if you look at our financial statements from 2021, you'll see one number. I had a different number, and then there's this number. I think this is probably the most complete number, and I think the number that we need to use. They fell into these two buckets of credits that were issued in lieu of refunds, and then actual purchase of a gift card. On the first piece, those credits were issued in lieu of refund. There were about 140 records and a little over \$20,000. The vast majority of those were issued prior to January 1st, 2021. They're mostly for the 2019 general and Polar Express season.

One of the things here is that we paid royalty fees on the ticket fees for Polar Express. They're also now at this point what two, almost three years going on, three years old, some of them. I think since those were issued without a formal policy and not certainly not aligned with the existing policy and due to their age, that we would no longer consider those credits on the books that we would just essentially remove those credits from being on this list.

In 2021 and 2022, there were a handful. Most of them were after we had the discussion on this in January, February, March, whatever timeframe that was. There were a couple of, there was actually one fairly large one. I think that the one is like \$1,500 on here. I think this is where we're going to need to get from Atypical, what the rationale was behind the issuance of the credit because most of these are within the timeframe that they have been operating to train. Without a formal policy, what was it that the policy that they were banking on to issue these credits? I think that's the discussion that needs to be had before we can determine what to do with that last \$2,700 or so worth of credits.

The second group is purchased gift cards and there were 67 gift cards for a total balance of about \$6,500.

There were 18 of those that were issued prior to December 31st, 2019, that we do not believe had an expiration date on them. There's a provision and statute that says that basically after three years that you consider this property to be abandoned. That would be this year. This year would be the last year where that would be considered our property. We would turn that over to unclaimed property in accordance with the provisions of the statute, I think you have 90 or 120 days, so it would be, it would go in early 2023.

Then during calendar year 2020, there were another 21 gift cards that were about \$2,000. Again, we would do that three-year assumption that they're abandoned and turn over any unused ones after January 1st, 2024.

Then those that are issued after January 1, '21, my understanding is had a one-year expiration date, so those would also expire at the end of that 12-month period. Then we would turn those over after that expiration date in early 2024, I think it is.

**David:** Jim, would that be between 2023?

**Jim:** 2023. It would because they were only a year. They would go in 2023 with the group that's going in 2023. That's a high level. It cleans it up. I think that there was a provision that came up that talked about

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cancellations within 24 or 48 hours of departure and giving credits. We need to remove any and all of that language. I think we just need to give refunds. If we're going to do it, we need to give refunds but I think we've been pretty clear that these are non-refundable tickets. That's inconsistent with our existing policy that the ticket purchases are non-refundable.

I think that if we're going to continue to do it, the \$25 service charge, or whatever-- I don't remember exactly what they called it, but there's a \$25 change fee that we charge if you purchase a Polar Express ticket or for one date and want to move it to another date, there's that \$25 fee. I will tell you that's been inconsistently applied. It's not been charged routinely to every single transaction. It's a little bit hit or miss. I think that's one of the things that we need to be cognizant of if we are going to make-- If we're going to have that as policy, everybody has to pay \$25, that there's not an ability to waive that \$25 change fee or refund fee.

I think for my purposes, lastly, is that this really belongs in a high-level policy that the board adopts. I think that the board needs to look at setting some policies. We have contracted out our day-to-day management. I don't know whether there has been great or consistent direction to all of the previous and current management of the railroad. I think that that's one of the things that it would be beneficial for the board to set up a policy manual of what's expected from the operations manager. Then if we need to amend that, then we do that as part of a regular meeting.

**David:** Jim, I like that. I think that's a good idea. I know we've been working a little bit on the records retention policy, but having something around the ticketing is an excellent idea as well. Maybe that's something we could discuss at the retreat and implement that before our next operating season. At this point, we hardly have any PEX tickets left. I would agree with you wholeheartedly. I don't want to speak for Allyson and Leah, but I think they would appreciate that as well with clear direction on what would happen if there was to be a refund or there was some unique circumstance. Do they have the authority to issue the refund? Does it need to come in front of the board or the commission?

I think that's a great suggestion and idea. Can I just follow up with a question then under background issues and analysis? Let's see 1B, Allyson, and I'll put you on the spot but I wasn't intending to put you on the spot. Is it possible on those nine records based on the circumstances, can we refund those 2,698.44 back to either their credit card or, I don't know if they paid with a check? I guess we could issue a check as well. That seems to be the only area that would be applicable to. Based on the way that we have this laid out is to try, in this case, truly refund these people back for their ticket purchases to their original payment method. Is that possible to do that?

**Allyson:** In theory, yes. I have all the contact information for the nine records. I don't know, it doesn't tell me straight out the gate that all nine still have a credit card that is active or anything like that. Some of them have been credits that have been used, but there's just a remaining balance on it. Looking at the justification or the reasoning behind it, as Jim mentioned, one of them is a larger number of \$1,500. Off the top of my head, I do recall that one was through an event planning company who had purchased for a group that was coming in. The group wanted to change to a later date. They didn't have the date yet. They wanted to keep the tickets credit was issued.

A lot of the other ones, honestly were smoke or COVID related. They reached out, I tested positive, I just want to come again, et cetera. The dates ranged between August 27th of 2021, which is the very first run that our team was involved with through June. It would've been earlier in this season with that, the June one was that large group I just mentioned. To answer your question, I believe, yes. We could reach out to these people. We could try just refunding the card that was on file.

For the most part, the system will keep that information in there. We do as best we can, there's a little box

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that says there's two options. One is a refund fee and one is a processing rebooking fee. We check that box and it keeps that 25 and refunds the rest or issues it towards the next booking. I believe it's doable.

**David:** Thank you, Allyson. I appreciate that. Jim, anything else on the 2,698? Based on making a motion and giving direction to Allyson? Are you comfortable if she was to work through and try and do it that way?

**Jim:** Yes. I think the idea is to get these credits and get rid of them. I think that they gesture something, not just from an accounting, but from an operation standpoint. It's not money that we technically can spend. At this point, it doesn't really belong to us with the way it's been issued. I think that my thoughts are to get this resolved one way or another. Either use the credits, give them refunds, turn them over to unclaimed property just get them off the books. If at some point in the future we want to have a discussion about gift cards, then there's a policy and credits. That there's formal policy on how it operates, how long they're good for, what we do with them if they're not used. I think that's just been missing from here. I think the sooner we clean all this stuff up and get rid of this, the less we have to even talk about it going forward.

**David:** Agreed. The reality is, you, guys, if you all agree and we move forward with a proposed motion, as I see it, our \$27,000, \$28,000 between the two is actually, by the time we get to the end of the fiscal year, we would only have to deal with \$2,056 worth. They would come off on the 1st of January, 2024. We're almost wiping out 25-something, I guess of the 27, with what's proposed in the motion to get this all cleaned up. Clay or Stephanie, do you have any questions about how this has been proposed or laid out?

**Stephanie:** I don't have any questions, and I'm in agreement with where we're headed on it. I guess just from the policy level discussion, which I know we'll need to continue to have at a later date, I would like to have a conversation about gift cards and just see if there's a way that we can do it in the future that will work and make sense and not cause us extra headaches. I think it's very fair and appropriate to say tickets are not refundable with the exception, I guess I would say if we're cancelling a train for issues like smoke or COVID. I think maybe that's the time when we would refund, but not credit. That in any other circumstance, because I think it's pretty typical in most events that you go to, whether you buy tickets to a concert or something else. If it turns out that that didn't work out for you for whatever reason, that's your loss. I don't think there's a lot of venues that do reimburse. I think that's good. I like the fact that then that's a donation to the Commission and to the preservation of the V&T. That would just be my comments as far as policy direction in the future.

**Allyson:** When these situations arise, I would say, for the most part, people grumble about it, but they say okay. We did have a handful of heated situations during Polar specifically. It's a storm, they're over the hill, they're in South Lake. They can't get there. "You ruined my Christmas," we've gotten it all. We were pretty strict with it this last year with Polar. We did not refund if the train was running, and luckily, the train ran all of the season. I can't say the same for this next winter to see what will happen. For the most part, people get it and they understand it, just like you said, Stephanie.

**David:** Great. Any other questions from my peers? Anybody want to throw out, take a stab at the proposed motion that we had put together in the staff report, or not?

**Stephanie:** Before I make that attempt. We're not proposing any exceptions to the current policy, correct? Is that there is nobody that has an appetite to do that, or would that be for what we proposed under 1B for Allyson to work to refund those?

**Allyson:** I do have a question. It could be something that we determine at the February retreat when we are coming up with this process and procedure. We had it even this last weekend. "I've tested positive, I can't come." It's within the 72-hour window, it states no refunds. We've been staying hard, like, "Sorry," 72 hours with the exception of the nine that we're looking at here. Just clear direction from the Commission that there

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are no exceptions to the no refunds, even if it's due to COVID.

**Stephanie:** I'm comfortable with that because, again, there could be any slew of reasons that you can't make it to a concert or something else that you've planned. It's unfortunate, but I think because of the issue that it causes for us, I think the no refundable is the way to go.

**David:** I would agree with you, Stephanie, as well, or we're just going to find ourselves right back in the same mess, quite frankly. That's what we've had in place. Everybody for those that purchased Polar Express tickets, that language has been in the Fare Harbor system. I would personally not want to see us change that as well. I think, Stephanie, to answer your question about the way that we drafted the motion on, one, we could include that Stephanie will go back-- Hang on, let me get my bearings here. For the 2021 records for those nine records, we're going to attempt to refund back to the original payment method. I think that's fair. I also think if we know their name and we have their address too if the transaction was not able to be done through their original credit card, we probably could issue them a check or whatever was left. I think I say that, I don't know if we have that option, but I would think we would have that option too. Again, just specifically talking about the \$2,698.44 those nine records.

**Allyson:** We definitely have the email, we have contact information, the email addresses for every single one. Addresses sometimes get typo when entering into Fare Harbor due to me looking at zip codes for reports for you guys. I think our first attempt would be to email them and just let them know the plan.

**David:** That's fair. Yes, no, I think that's fair.

**Jim:** I think I'm comfortable with being strict on no refund policy. I think that if you open it, where do we draw that line? I think if we start blurring a line, then you have to have, well, this is the specific list of circumstances under which will allow us to be canceled within the 72-hour period, these won't. If you don't, I think that just makes it more difficult and more susceptible to arbitrary decisions. I think I would be more comfortable if it's within the 72 hours and there's no refunds.

I think as far as the credits, I think that in that proposed motion on the first page, you're talking about, first of all, we got the pre-2021 numbers. Then those issued in '21 and '22 are those nine that need to be resolved. For me, whether we refund them or not, is this, are they in line with the policy that, basically, we're setting today?

**Allyson:** If we had the time during Polar, our waiting list for Polar was 100 groups long, so not 100 people, 100 groups long. If we got a cancellation the day before, the day of and we had the time, Leah would try to fill it. We would try to get around refunds. If it made sense, we would refund with the refund fee and then try to get someone from the waiting list onto the train. We wouldn't, sometimes, that didn't happen in those days. We do try to accommodate as best we can since that waiting list is so long.

**Clay:** Yes, I'll be honest, I don't love the lack of flexibility. The reason I say that is because, really, what's our metric for success? What is our goal? If people have a bad experience because of a policy that we have, that doesn't necessarily lead to train ridership. That's not minimizing the complication or challenges that we need to fix under this item, but to have zero flexibility or zero way to-- In essence, we're closing the door to a further business relationship with these customers. For me, I think about, for example, what Allyson just mentioned.

If the goal is to fill up the train and it's possible to have a full train, are we harmed, other than the amount of work it takes us to deal with these exceptions and these issues? We made full revenue on the run. I'm wondering if the Commission would consider, as part of that policy within 72 hours, if we're able to fill the seats being a qualifier for a refund. I'd want to hear from Allyson about how difficult that is. Just looking at everything else, all the other responsibilities, everything that's going on. There's certainly no requirement

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that we fill the seat. Certainly, if it's possible, then the Commission makes its money, the train is full.

To me, it feels like maybe that's a black-and-white line where it's not discretionary, but if we're able to fill the seat, then we're able to give a refund. I don't know, I think it's at least worth consideration.

**Allyson:** I would be apprehensive to write it into the policy. Normally because the way that we approach it is if the person's really nice and they're not yelling at me about how I ruined their Christmas, then I do my best to try and accommodate for it. Again, it depends on that day. Are we shoveling snow, and do we have standby passengers, which we discovered was a thing last year with Polar?

We would have people show up just to see if someone didn't show for the train, and then we would try to get them on and sell them the ticket. I almost lean towards going with a really black-and-white policy with direction from the Commission of like, if we can make it work, we can make it work. I don't know. It helps protect us. When we're talking to these people, I can easily say, "I'm sorry, I work for a state commission. They told me, no," and I have that to fall back on.

**Jim:** While I don't disagree with part of that and trying to fill seats for people who cannot show up, but we don't have full-time staff. This will be totally different if we were paying a full-time group of people to sit there and man a ticketing center, but we don't. We're asking a small group of people that we pay on an hourly basis to try and fit this into their busy schedule during that time. I think that's asking a lot. For me, I get the desire to have the seats filled, but again, it goes down to what we can and cannot accomplish given the resources that we have and that are available to us.

**Clay:** My pushback, or my counterpoint to that, would be a policy that says if we are able to fill the seat, does not obligate us to put any particular effort into filling the seat. Basically, and I speak from experience because I work in the wedding industry, and that's my policy, if someone has to cancel a day, I give a partial refund if I'm able to rebook that same day. There's some days that I work really hard to refill and other days, I don't work so hard to refill because I'm totally fine not working that day.

When I look at the, what we're talking about, standby passengers, unintentional standby passengers, because that's really what they are. They're not told to be there. Waiting lists. It gives the flexibility internally for our staff to make the call as to whether they want to do that. If they are able to fill the seat, then they can deal with the refund at another time. It's not, it's like we got to wait and see what happens and then the close out. It's not like they're sitting there trying to get people on the train and hitting the refund button at the same time. It, "Here's our policy. If we can fill the seats, we'll consider a refund minus a partial, whatever it is, minus the fee."

It allows for that to be reconciled at a totally different time. I'll have to wait and see what happens. If they have the capacity to do it, then they do it. If they don't have the capacity to do it and it doesn't happen, they don't get a refund. "I'm sorry, but we weren't able to fill your seat."

**Allyson:** It's solely dependent on who's working that day too. Generally speaking, this all happens before 4:30, really. The first run's at 5:00. If it's mid-run, sorry, it's not happening. General season, we'll have people like, "Hey, I had one person not show up. Can I get a refund?" Then they'll just sit there at the counter with me until someone shows up to buy a ticket and we somehow maneuver it. That's me at the desk.

With this year's Polar, we've got, I'm on the train now for production. Leah is wandering, helping make these calls, but we've got hourly staff working the desk that doesn't, they don't know how to do refunds. They don't know how to rebook people. All of that intricate stuff within the system where mistakes happen. The box doesn't get checked to apply the \$25.

**Jim:** I think my recommendation would be to deal with the credits that we have today and deal with the policy in January. I think that's, let's separate the two of dealing with what's on the books now and then,

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putting forth the policy. Then we have time to outline whether there should be exceptions and how those exceptions would work. I agree with you. We at the prison, we try to do that. If we can fill them, then we will try to refund you. Even then, a lot of times, we'll if we get cancellations we just tell them, I say, "Sorry, it says it clearly on the website, that it's not refundable. Thank you for your donation."

**Clay:** Sure. Mr. Chairman, Gabe has his hand up for something.

**David:** Oh, please, Gabe. Sorry, I can't see you.

**Clay:** That's why I forwarded the message.

**Gabe:** If somebody cancels.

**David:** That was so efficient. [laughs]

**Gabe:** If somebody cancels on the Polar, why don't we give them a ticket for the same price on our regular trains? That way, we don't lose out on revenue and we fill up our regular trains during the summer.

**Clay:** I think one of the challenges has to do with the bookkeeping on this. Because we sell tickets on specific trains, they would have to choose a specific ticket on a specific train at that time. Otherwise, it sits in limbo. It's not really money that we've earned yet. I think that's part of what we're trying to clean up with this. I know, I love the idea. It's just finding a way to do it where it helps us keep track of things properly.

**Jim:** Well, and I think the other real key piece of that is we pay royalties on these fees that on the ticket prices that we pay for Polar that we do not pay for regular season. It's not just the ticket. It would be easy if this was just a ticket, but there's a lot more behind us than just the ticket.

**Clay:** The cookie mafia, geez. \$8,000 worth of cookies.

**Allyson:** Not a joke.

**Clay:** I know, I saw the line item. [laughs]

**David:** Clay, if you want to take a crack at baking this year to help us reduce that 8,000, you're welcome to do that. What I'm hearing then is maybe for today, we will just address in a potential motion numbers one and number two on the, that you see a midway down on the staff report. We'll just deal with the credits and the gift cards only.

**Clay:** I think that sounds good. We have a current policy in place. As flawed as it might be, we have at least something there. We're not leaving it wide open and then we'll revisit that.

**David:** Does anybody want to, any other questions or did anybody want to make or attempt the motion?

**Stephanie:** I will attempt, I move to approve the recommendation that the credits issued in lieu of refunds before January 1st, 2021 be considered earned revenue, and those issued in 2021 and 2022 be refunded if possible. That purchase gift cards be turned over to the state pursuant to NRS chapter 120a unclaimed Property Uniform Act on the following Schedule: A, those issued before December 31st, 2019, and after January 1st, 2023. B, those issued between January 1st, 2020, and December 31st, 2020, and after or through, after January 1st, 2024. Those issued after January 1st, 2021 at expiration on or about March 1st, 2023. I think on B, I should have said that those that were between January 1st, 2020, and December 31st, 2021 be submitted after January 1st, 2024.

**Clay:** I'll second that motion.

**David:** Great. Good, perfect. Thank you. We have a motion and a second. Any further discussion? Seeing none, all in favor, please signify it by saying aye.

**All:** Aye.

**David:** Any opposed? Motion carries unanimously. Again, my thanks to everybody on this one as well. A lot of work, a lot of back and forth to get all this information in, and so thank you, everybody. We are going to move on to agenda item 11 for discussion only. These are our monthly non-action items, so we'll move forward with

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11a, operations report. Allyson, take it away, please.

**11. FOR DISCUSSION ONLY:**

**MONTHLY NON-ACTION ITEMS:**

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

**Allyson:** Thank you so much, Allyson Bolton. I'm going to speak rather quickly. I know it's a shocker. I never speak quick. We do have a recap in here of the season, and so I anticipate that we'll want to talk about that a little bit in lieu of our last conversation. Some of this can just breeze over just a touch. Operations was our heaviest this year, or sorry, this month. Oh, here we go.

**David:** Allyson, can I ask you just a quick question? I'm so sorry. Is it possible, I can't see it on my end. Is it possible that you could, they could put it up on the, or however I could see the report. Oh, beautiful. Thank you.

**Allyson:** Magic. This last weekend was our last general season train. I believe that we're close to sold out. Continued vendor coordination. Customer service has really ramped up the last, probably, two weeks. Then we did have our corporate group event that we had up to Gold Hill with the private dinner, et cetera. The group event went great. Definitely a learning curve, definitely a lot more vested than we had anticipated in terms of and from of a planning perspective. We handled it, it was flat rate with them. We did have a few snafus that we really worked through, and the group was left quite happy, so we're good. All things Polar Express right now. We had casting auditions, we're fully casted. We've had an orientation with the cast and we now have rehearsals every Monday and Tuesday at the Depot. Then we're working in the role of costuming. This last month was-- We have a script. We have a final script, which was quite the work. We took the samples that Rail Events had given us. We were able to get our hands on the previous script only to find that it was actually three scripts that we had to try and combine into one, and then put our own V&T twist on it as well. New things on the train this year. We added the lost-ticket girl into the mix. We've added some amazing singers that will actually be singing. Then the role of hobo, we have some real professional actors that are coming in to do it. It's going to be a combination of his voice via voiceover as well as him coming through the train, which leads me to the next thing where we're working with Rail Events right now on the music score and teeing up all the sound for onboard the train. We're utilizing far more voiceovers than we have in the past to help alleviate some of the sound concerns that we had. We are working on two different sound systems. One is a sound system that runs through the entirety of the train and then the secondary sound system is just siloed into the, whatever, car they are in. Most of the issues was in the secondary of the two. By using some of these voiceovers and things that are happening on the entirety of the train is going to help with that. We also looked to French Lick, Indiana. They were voted best onboard production from Rail Events and so we consulted with them as well. They looked at our script, helped us work through it, so that we're really excited going into this season with what we've got. We met with the North Pole vendor. We walked through the blue building to look at all of what we have, what he'll need to do. What's interesting is he is a gentleman that builds multimillion-dollar homes, and so his approach to it is really interesting. He does have children and he is taken this on as like his child. He's very excited about it which got us excited about it as well. They are starting to source donations that they can with the budget that

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we have in place, just to try and get that down as best we can.

We did do a permanent sound system in the depot, and so for all of the music that we have playing in the depot, the beginning piece of the conductor and hero boy acting that out, we have a system that will stay there. In the past, it was actually put up and taken out, and put up and taken down every year. We worked with Star Sound to have that permanent in place and it works phenomenal.

We purchased POS equipment to help with the retail be a little bit more efficient in that. Then we're still working with some external vendors. Moving into this next month, we're going into dress rehearsals, trying to secure some sponsorships. I'm hiring all the depot staff right now. We first wanted to get the train casted and now we'll go into actual depot staff, which we have had some people reach out to us to work for Polar. That was very exciting for me. We're starting to get all of our deliveries in, merch, cookies, getting all those schedules in place. Preparation for media night, partner night is where I want to take the name of this. Formerly, it was always called media night. I believe it's now more of a partner night and a change there is the five o'clock run is going to be just family only, so cast family, et cetera.

We're not going to put any dignitaries; we're not going to put any Commissioners. It's going to be a true dress rehearsal for the cast so that they can do it on a moving train before they're doing it in front of patrons. Rail Events is going to come out and help get us set up, make sure our sound is working. Last year it was really heavily focused on our merchandise and getting our merchandise out.

They're sending a different representative this year and he's going to help us make sure that our sound on board is all squared away. Then we are, with the help of Stephanie, going to hopefully do the final cleaning out of the depot and the blue building. Last year we did a huge dumpster. We have a second one coming, I believe the 31st or the 1st, to do some additional clean out and hopefully that'll be it.

We'll only have fully functional decor, nothing that's been sitting there for the last 10 years. I know both Leah and I are very excited to get things cleaned up. General ridership, we are done. We had a total of 4,660 general seasoned riders and reflective there is the total gross revenue of 225,000. We did have 3 private charters with the total gross revenue of 25.5.

Here's a breakdown, by month, but also keep in mind, I think we only ran once in September due to special events, and so it's hard to look at these columns and say, "Oh, June was amazing, what we ran every weekend in June." That actually takes me to the next slide, which is a little bit more of analysis and where we broke it down. We had 15 total running weekends, so that was actually 63 availabilities.

The reason that that number is so high is because you've got round trip one way, one way for every weekend. When you take that times 15, et cetera, that's why we have so many availabilities, if you will. If you were to take all of the availabilities that we had, the capacity would've been 6,300 and we sold 4,600, so that we were 75% sold in terms of our capacity.

The next number's a really interesting one because we have a tiered ticket for our general season. It's 55 for an adult, 52 for a veteran or senior, and 35 for a child. The total revenue capacity was taking all of the passenger capacity and multiplying that by 55. That would be, if we were completely sold out, at 55 a head, we could have hit 346.

We were at 225, so 65% sold of the revenue capacity. Then you add in our private charter. Going by every charter that we had as well as general weekend, the total expense to VTRR exclusive of this, didn't have any repairs in there, the oil, the gas surcharges, any of that, just that base rate was 210, 750 and so the net position for the general season was at 40,000.

I don't have much historical numbers to go off of, really just 19 because we changed ticketing systems. I would say that the limited season had its challenges. However, we're not in the red [laughs] at the end of the

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season. I actually have a separate slide here that was done in Excel that I'm going to pull up. That was in the packet if you received the packet.

This is broken down by the weekend, the availability, what the gross revenue was, and then the number of passengers. You'll notice like for weekend one, we only had round trippers, we didn't have any one wayers. That's why some weekends are going to have more line items than other weekends. Again, this is in your packet to really granular break it down per day, per weekend, et cetera.

Then if we just scroll down here to the next page, in theory, where did it go? These are just the numbers that I just reported in the Excel format, if you will. I'll make that a little bit bigger. Yes, a little bit bigger for you. Again, 15 weekends, 63 availabilities, expenses, and then the net position. As a reminder, it doesn't include the cost for the depot staff to be there, surcharges, all of those things. Before I jump into Polar, is there any questions on general season numbers?

**David:** Allyson, may I ask you a question?

**Allyson:** Yes.

**David:** Can you bring the Excel file up for me to see, please? What I was wondering is it looks like we're basically-- I saw 210s, 207, 208, so we're basically sold out for the Saturdays, right?

**Allyson:** Saturdays were always the heavy day. Sundays made up for Saturdays. I was incorrect, we were not sold out last weekend as noted here. We were close, we were at about break even.

**David:** Where I was going with that, do you feel we are leaving people behind on Saturdays who want to ride? As we're talking through the new charter agreement and everything, is it worth adding another car on Saturday?

**Allyson:** It actually is a conversation that we've had with Tom to possibly add a fourth car, that fourth car being the table car that we use for Polar Express. It would actually be like a first-class experience where you'd have added value to your ticket so it would be a more expensive ticket. From what I'm understanding, it may be doable to do that. I would say in terms of dates that we were right at sold out were less than more, but we weren't running trains with 25 people in it.

**David:** The reason, I know we discussed the new agreement, but I love the idea of the table car, to me, that's probably a different customer base, and having that table car, it could be on Sunday, too, we probably would potentially fill that out both days with people. Anyway, I was just curious.

**Allyson:** Yes, definitely. The other option that we had come up during our negotiations with Tom, with his contract was, when the Saturday train comes back, since the train is there, rail bikes can't run, so maybe doing a canyon run, wouldn't necessarily need to have alcohol, but just be an added shorter experience that doesn't have the full-day excursion in it. The Saturday train would return it. It gets there about 4:15-ish, so maybe, five o'clock run into the canyon, that's about 45 minutes long, maybe adding some of those, maybe once a month, we do that, just to add a different option.

**David:** I love that.

**Allyson:** Again, that would be looped into that schedule A, that would be renegotiated each year and fulfilled by March 1st.

**David:** Yes. We get a lot of inquiries about that, the Visitor Center. My team takes calls about-- people are familiar with the toast of the canyon trains, but the idea of taking a shorter ride down into the canyon, gosh, yes, we could work that out on Saturdays. I think that would be super. Thank you.

**Allyson:** Yes, definitely.

**David:** Thank you for the analysis. I'm surprised, I didn't think we would be at three quarter capacity, to be honest with you, I thought we were going to be closer to like 60-ish percent. It's great to see a higher

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number.

**Allyson:** Yes, and like I said, it definitely on paper, it looks great. In execution, it definitely had its challenges. Phone calls of, "I can't believe you're not running this weekend," et cetera. "Sorry, you got to pick a different weekend." Different from the norm, we've always ran every single weekend, and we didn't this year. Like I said, September, I think we only ran once. It was definitely different, but on paper in a better position than we were coming out of last year.

**David:** Thank you. Are there any other questions for Allyson on the recap? Sorry, I can't see you guys [inaudible 01:52:29].

**Clay:** I had just one thought, and that is, maybe we look at what can we do to make Sunday's more attractive that doesn't involve discounting? We don't want to reduce revenue, but maybe some sort of value add, because that's our potential. We're running those trains anyway, of course, with the exception of Mother's Day and Father's Day, which were functionally full trains. On those maybe then we switch it over and say, "Hey, how do we incentivize Saturday of those weekends?" Some sort of-- I don't know.

**Allyson:** Without adding more work onto the team-

**Clay:** Absolutely.

**Allyson:** -which had its own inherent added costs, it's where our brains went as well. I recently went to an amusement park that was Western themed, and they had this really cute skit where they name-- the mayor comes up, there's people planting in the audience that are actors, which we have our docents there for most weekends. It's almost this whole skit, and then a new mayor gets named and et cetera, et cetera. I do believe they actually used to do this at our depot as well, and they had a little bit more reenactments and things like that. Maybe it's something we only offer on Sundays.

**Clay:** Train robberies?

**Allyson:** Train robberies. [laughs]

**David:** Yes, that's a great point. I think that's good, and I also think, when we set the schedule for next year, the VCTC team, and I can present what new events we have coming up, as well, because maybe we could shift to some different weekends where we might have a big event coming to town, and there are a couple that we are currently working on for next summer that are actually on weekends that this past summer we didn't run, but I have been asked whether or not the train would be running or could be running.

We'd certainly have enough people to fill a train. I think all these ideas would be great as we put the schedule together, and especially seeing the special events that are taking place. Actually, I should back up, if not just for Carson City and Virginia City, but other large scale events that are taking place in Carson Valley. They have their air show and everything, and maybe taking a look at how special events in and around our area. Reno Sparks lineup as well.

I think that would definitely help with putting people on the trains for sure on Sunday. It creates the problem that we're already full on Saturday, and then we'd have more people trying to get on Saturday, but maybe if the table car opens up, we could accommodate some of those people or through the toast of the canyon run, maybe accommodate people that way as well. I like all these ideas.

**Allyson:** Yes, and it's hard to piggyback on some of these special events because we are a full-day excursion, and so it is a lot to dedicate. I've got littles myself, if I'm going to the airshow one day, not going to the train the next. I think that's where the canyon runs could really come into play, as well. A 45-minute is a little bit more vatable than taking my two-year-old on a train. [laughs]

**Jim:** Mr. Chairman?

**David:** I totally agree with you, Allyson. I think you're right, it would depend on, are there other special

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events, do they run Saturday and Sunday? Are they only on Saturdays? Then what's the draw? Is it primarily an out of area, or even we have something that's going to be drawing people from Europe, and Australia, potentially the Philippines next year, as well.

These are international folks. The idea of getting them up to Virginia City could work because our event will be on a Saturday to run, to get them on a Sunday train. I think if we're prepared for the January-February discussion, to lay some things out about special events, and new events, I think that will all be helpful in our decision-making early next year, for sure.

**Jim:** Mr. Chairman, I have another meeting at 11:00 that I need to leave for.

**David:** Okay. Then I'll be quiet. Thank you, Jim, for letting us know that. Allyson, please continue forward. Thank you, Jim.

**Allyson:** Okay. Just in time for me to talk about all the re-bookings for the Polar Express.

[laughter]

**David:** Team running for the door.

**Allyson:** Polar, these numbers are even outdated since we had put this together. We have, I could count on one hand, the number of 8:00pm coach seats that we have available. VIP sold out, private rooms sold out, gosh, like a month and a half, two months ago. Tables just sold out, and now coach is about sold out. What we are fielding a lot right now is very frantic customers trying to get different dates, because they panicked, bought a date that was available, and realizing it didn't work with their schedules.

We're trying our best to accommodate that with a \$25 re-booking fee to try and get them into a date that does work for them. I have my apprehensions because this happened last year as well, where you see a little bit of the third party, I've got polar tickets for sale. We did find some language from another destination, I believe it was Jamestown that really spelled it out that we don't accept third party tickets, et cetera, but it's really hard to manage it.

TBD on that, but there is the estimated total revenue. Like I said, it's much higher than that right now, and our parking, you'll notice, I think that's even how much we made on parking last year. We separated out, the booking was for parking this year, we did it a little bit different. It's easier on us in terms of applying the payouts, but we're finding it was easier for the guest experience to book parking as well.

We've only had one person reach out about the shuttle. We just said that we don't have it this year due to lack of participation. Haven't heard back on that. Haven't really had a lot of backlash. People are understanding you pay for parking for events now. That's been well as well. Still having the same issues that we had last year, and I do wish Jim was here, but in terms of the reports out of Fare Harbor, and trying to match it to our bank statements, and we got it really close, but it wasn't perfect.

Jim is still doing it by hand, going through every single line item of every single sale to attach it to the buckets of where the deposits go to, so still have some issues with Fare Harbor that we're trying to sort through. The second ticketing agency is very eager to know of all the issues that we've been having to see if they can help alleviate some of those because Fare Harbor's a little bit more unwavering in that respect, so some movement on that. Questions on Polar before I move forward.

**David:** Allyson just to clarify, on the screen are the ticketed counts in the box, are those correct or is the 5,092 right versus maybe 1,750 based on the chart? I'm adding them up and it looks to get to the 11,000 it's the amounts inside the bar chart. Am I right?

**Allyson:** Yes, the bar chart should add up to the 11,000, but you don't want to add in the parking number.

**David:** I'm not being nitpicky or anything, I was just asking because it looks on the scale looks there's only 1,750 sold, but inside the bar chart it's 5,092, but the real number is what's in the bar chart itself in the red.

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**Allyson:** The bar chart is broken down by coach passengers, deluxe table passengers, private room passengers and then VIP.

**Clay:** Do you see what he's saying? Just on the left-hand side there's a scale zero, 500, 1,015.

**Allyson:** Oh, over there.

**Clay:** That just doesn't match which we can just ignore that.

**Allyson:** I can blame Leah, she's not here, right? [laughs] Yes, you are right.

**David:** Then let her go. Let her go then. It's the five to three, 11 plus the 23.

**Allyson:** It's a two-step process to do the graph, so she probably updated the numbers on the chart as well without updating it within the chart, if that makes sense.

**Clay:** It looks like the size of the bars are revenue related, they don't match. It's all right. Just pretend. Just use the numbers.

**David:** Yes. Is the number just on the far right for the parking, is that 2,124 car passes were purchased for the parking?

**Allyson:** Parking passes, yes.

**David:** Good. Thank you.

**Allyson:** Sellout, I believe is 12,100, somewhere in there. We do have some Coach 8 PM, available seats.

**David:** Coach 8 PM, thank you.

**Allyson:** Rail bikes, we had some discussion about this last month. They're not running this weekend, I just found out, they will be attending our next meeting to talk about the season, but they are currently moving out of the depot. Numbers are significantly low. I know that some of that, when I asked Tina, I was told it was due to some issues they're having in Georgia and the team having to go out to Georgia and not being able to physically be at our depot.

There was some smoke days and like I said, some travel days, so they were actually not running. They also had some bikes that were not working, so they were limited on the number of bikes that they were able to sell. Like I said, they will be attending the next meeting via virtual to talk about the season and their next steps and plans, because Tina, who is their general manager, it's actually her and all of her kids that run the rail bikes. It's a family operation with management being in New York, but she's moving to Hawaii. I do know that her kids aren't planning to return as well, so hopefully they can speak to that as well.

**David:** Can I just chime in on this? I'll be honest, I was disappointed to hear as well that they operationally shut down, on this past Saturday was the last day that they did not have the runs go through Nevada Day weekend. I'm upset because we put a lot of effort behind as Visit Carson City with all of our Nevada Day marketing for the rail bikes and to not be informed of that, me a little bit.

I also have some concerns about the situation in Georgia considering we have an agreement with Freedom Rail to operate our rail bikes. We don't have an agreement with them for what they do in Georgia and I don't care what they do in Georgia so long as it doesn't impact the operations for us. Now it would appear as though that is exactly what has happened.

I think we definitely, when these gentlemen come on the 30th or on the WebEx or whatever, it's something that I want to address with them because our budget was based on a certain percentage, the 25% share of the revenue. I'm a little worried about for next year what that's going to mean, not only to finish our current fiscal year budget, but also as we set up fiscal '24. I definitely want to have this dialogue with them at the end of next month. These numbers are really, really low.

**Allyson:** They are, and we've also not received response nor payment for any of the utilities. Per their contract they're supposed to pay 50% of all utilities. They're in the depot Wednesday through Sunday and

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have not received that either.

**David:** Thank you, Allyson.

**Allyson:** Assets. I actually just flew back in yesterday from out of the country, I believe while I was gone, the electrical work in the hot cocoa room was done. We're really excited about that, we're hoping to have a plumber out to the depot to look at the water fountain. Like I said, we are going to be cleaning up the blue hangar, not a ton on assets for us. I know Ken will be doing some updates on what they're doing from their side of things.

Board relations has been similar to months past, been very involved with the VTRR negotiations.

Roy Street's been a little difficult to work with the last few months. I get a lot of phone calls back of, "I didn't get your email. I don't know how much I owe you," so it's been a lot of back and forth on that one. Currently, he's up through a partial payment through October, I believe. He now has a late fee for his October payment and so we're trying to, a lot of back and forth with Roy Street. [laughs] Audit is still going. We're working on a records retention policy.

We were hoping to have it for this meeting, but just with all the script work that we had with Polar just wasn't enough time. Then of course, as mentioned earlier in the meeting working with Mihaela and Jim and David on the gift card situation. I'm hoping it'll be a little bit quiet moving into Polar season. As mentioned, we're running Wednesday through Sunday this year as opposed to Thursday through Sunday which only allows our team two days off, 78 performances in six weeks.

Hopefully board relations will be a little bit quieter. [laughs] Also Leah has been very diligently working through all of the physical files as well as all the digital files and just making sure that everything is really clean. Marketing, I actually saw a huge tick the last month despite our efforts putting towards marketing. We don't have any media buys running right now. Haven't sent out [unintelligible 02:08:07], no public relations, but all of our channels have really been ticking up.

I'm anticipating that's just due to the season as well as the excitement for Polar. Then our website, still trying to find the best reports to report to you guys. Of course, this is going to be reflective of the last 30 days, but we did see an increase, and of course a decrease in the revenue because if you think about the availability of Polar tickets, those going to purchase but they're not, and then it's just going to be a higher number last month versus this month. The mobile is still 76% that we see to our website.

With desktop only being 22%, tablet being 1.6%. Not set is our highest city, like I said, I'm going to anticipate that will be higher and higher each month due to all the cookie legalities that are now in place. Reno, Sparks, San Francisco being the top, which I believe that is a little bit of a shift. We're seeing some out of market visitation to our website which is interesting. We did have a handful of people book for our Polar Express thinking that it was for a different Polar Express, which makes me think, because we've been working on some SEO work on the website, I'm wondering people put in the Polar Express and they get us.

[laughter]

We have had a few refunds of, "I'm in Massachusetts, I didn't mean to book yours." Great for our SEO, unfortunate for them. Then David, you had mentioned this once, a breakdown of what pages are the most visited, so the Commission page is the most visited which I would anticipate a lot of that is Leah and myself, going back to the Commission page, pulling information, but then underneath that is going to be your confirmation, like your tickets are now sold page, and then which pages they go within Fare Harbor, so coach, then VIP, then deluxe, then our long line. Try to make it quick for you.

**David:** Thank you for adding that in. Something you might take a look at on that, so I will just let you know for Visit Carson City and our .com and our .biz, the IT folks, they'd block all of my teams' IP addresses, so that

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way we are our traffic to our own website, when we're working on it or whatever, but looking at pages, it doesn't count against that. That might be something we could do for VTrailway.com just to lock you and Allyson and the team out, your IP addresses, so it doesn't count against the visitation.

**Allyson:** That's a really good thought. We're working back and forth between the media buyer and Chad Antos who built our website, runs our analytics, because it's still showing direct as being the main source of traffic. The Chad Antos with the Google Analytics side is saying, "Well, it's how your media buyer placed the ad," the media buyer saying, "It's how your Google Analytics was set up," so we're trying to connect the two dots on how to get that fixed and make sure that the analytics that we are reporting is accurate, but we don't have any media buying running right now.

**David:** Thank you for clarifying that. Great work you guys, there's a lot going on, so appreciate everything that you and Leah, and the team have been doing this past month, so thank you. Are there any questions for Allyson?

**Gabe:** Yes. What's going on with the water fountain? I didn't know is broken.

**Allyson:** It's not that it's-- well, it is broken, but it's also [laughs] needs to be cleaned. Then there was something else on the plumbing that we needed them to look at. Oh, the toilet in the other building, because that one, I don't know if it froze over halfway through the season last year in Polar, it stopped working, it started working again, and so we need them to look at both sides of the building.

**Gabe:** All right, I was just wondering.

**Allyson:** Gabe is also working on adding the back, so if you've been to the depot, the yellow building, which we're now calling the office, which is now our green room, I guess I could have mentioned that, so we've taken the cast out of the Conex container. [chuckles] We've taken them out, moved them to the office since we won't have the Christmas shop in there this year.

That's going to be their green room as well as our back stock for some of our food items, and then the container will be used for merch back stock, but by us adding more bodies into that building, we're adding the stairs to the backside of that building, and just making sure. I know we meet egress currently, but just a little added extra safety to have that, the stairs on the backside of the building with the back exit. We're working on that as well.

**David:** Great. Well, thank you for that great report, Allyson. I appreciate it. If there are no other questions, let's go ahead and move on to 11 b train operations report, and if Tom is still there, I only seeing myself right now, if Tom [crosstalk]--

b. Train Operations Report – Thomas Gray, VTRR

**Allyson:** He is still here. He's coming on up.

**David:** Oh, perfect. Thank you.

**Tom:** Still here, David.

**David:** Great. Thank you. Thank you.

**Tom:** We're still running daily in Virginia City, finishing up and getting set up for the special event trains for the holidays. There's about 12 people up there today working. We're working on the new steam engine, ours goes out for the 1472-day inspection this year. Let's see, what else? We ran two days in September and eight in October with the 18, and then we do have to do some pretty good work on it on the front end.

That's critical. We have a stay bolt, we notice we need to replace our seats. We need a lot of-- I'm trying to get

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some wicker from China for the seat fabric. I'm trying to go with some national museums to get an order together. We have about 60 seats we really need to repair, and-- I don't know. [chuckles]

**David:** That's great, Tom.

**Tom:** Trying to think of it right now.

**David:** I appreciate the effort. Let's stay on top of the front end because that seems like the concern right now for sure.

**Tom:** Yes. It's a big deal. Thanks.

**David:** Okay.

**Tom:** Does somebody want to come up and take a look at it before I just spend a ton of money on it and time or just go for it?

**David:** Let's get it done. You know better than we do, so let's get this thing going.

**Tom:** One thing, I was able to hire a machinist full-time and he's also one of our engineers, so for us that's huge. That's a huge--

**David:** Awesome. That's great.

**Tom:** Yes.

**David:** That's excellent. Thank you for that time.

**Clay:** We cast eyes on it when we were up there the last time. I don't feel like I know anything more about it than I did before, but--

**Tom:** Maybe black and dirty.

**Clay:** --we can give you a big thumbs up, I saw it. I saw that front end.

**Tom:** [laughs] All right, thanks.

**David:** Perfect. Thank you everybody. Thank you, Tom, again. Let's move on to 11c engineers report. Ken?

c. Engineer's Report – Ken Dorr

**Ken:** [laughs] For the record, Ken. Yes, real quick. Not a lot to report, I'm going to let Gabe do recap what he's going to try to get finished up before it gets freezing up here. That fountain, Gabe was going to go up and turn the water off today anyway, so it's going to be out of service.

**Gabe:** I'll wait until after.

**Allyson:** No, honestly the toilet on the other building is the priority, so I think it's okay with the fountain. It's probably something that we'll have to look at before we start Mother's Day, and in an ideal world, I would much rather put in a water fill station where you would fill your water bottle. Those need to be a little bit more post pandemic accepted, [laughs] so I think it's okay. It's really the other building that the focus is right now.

**Ken:** Okay. You don't like Obama's drinking fountain because he paid for that.

**Allyson:** I've yet to see anyone drink from it. [laughs]

**Ken:** [chuckles] Okay. Anyway, I wouldn't spend a whole lot of money on that fountain because we're going to shut it off anyway. As well as Gabe's going to shut down the stand pipe for the steam engine because that's not going to be needed. We already talked about this, but the steel building, the depot in the bathroom, you need to keep some heat on in those guys until Polar's over.

I'm also trying to do a little coordination to get some of the rabbit brush on the shoulders of the East Gate siding access road from Flint up to the driveway removed, and that's in progress. If we luck out, Carson City

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may be able to help us out with some of that. If not, we're probably going to have to hire someone to cut that brush because you don't want that rabbit brush there to form a nice little snow fence to drift that road in if we do get any snow, so we'll get that taken care of.

I've also been [laughs] working on filling out a credit application for ANK rare-earth materials in Salt Lake. I guess the \$2.5 million we spent with them back in 2003 doesn't count, so they want us to fill out a new application for credit. I don't even think they recognize that they sold us that rail back in the day. I think all that staff is gone. They've been very difficult to be dealing with because we're too small of a operation I think, but we'll see.

There's some options, but I'm going to work forward to get that application. We'll see if we can get these parts that we're looking at. I also looked at real-quick the FRAs got a grant program, it's abbreviation is CRISI, which is I think Critical Railroad Infrastructure and Safety Investment program, and to see if we wanted to apply for some of those, a grant, specifically I was thinking about for improvements to the Overman embankment. The problem is it's-- utilize your terminology, Stephanie, it's a big lift.

Is what it amounts to now. That's something we could possibly do, but it's probably not worth it. We still have to do a 20% grant or match on it, so I don't think that's a viable alternative. I still think the best opportunity, and this is something maybe you folks can discuss during the retreat. Northern Nevada Railroad has had a lot of success getting some grants for historic preservation on getting their track and facilities worked out.

That might be something we want to maybe look at again next year.

The federal grants, which is what the CRISI Grant was, again, there's a lot of work that has to go into those things and, to me, I think a minimum you're looking at a \$10,000 bill just to get an application put together and do cost benefit ratio and preliminary design, and this and that, so not viable at this point, but luckily it hasn't fallen apart completely. We're not in a big panic mode. That's about all I've got for right now, but I'm going to let Gabe talk about what he's going to be doing here in the next 30 days.

**Gabe:** Gabe Willaman, for the record, I'm going to be putting down pre-emergent. I'm going to be running the bowels regulator and I'm going to be doing joint oiling as well as whatever else Allyson has me doing around the depot and whatever Ken needs me to do or if the tracks fall apart, I will put them back together, so that's about it.

**David:** Thank you, Gabe.

**Ken:** I will say, Gabe dragged me up last week to do a little quick little high rail trip and all in all track looks pretty good. When Gabe does get to run this bowel's regulator and run the broom operation on the back, what can I say? It's almost like polishing everything, so it looks really sharp and the track is in pretty good shape.

There's always spots here and there that are problematic and need work here and there, but all in all, I think we're in good shape. Big hope is we don't have a gigantic winter that tries to bring them out down on top of the track. That's really about all I've got unless there's any questions.

**David:** Thank you, Ken. Thank you, Gabe. Any questions? Stephanie or Clay?

**Clay:** No questions.

**Stephanie:** No.

*d. Upcoming Meeting:*

- 1. Commission Meeting on November 30, at 9:00 am.*

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**David:** Okay. Thank you both for your great work on maintaining the tracks. Appreciate that very much. All right. Let us go ahead and move on to 11D upcoming meeting. Our next meeting will be on November 30th, 9:00 AM in the room. Of course, we will also be dealing with the audit report at this meeting, so that'll be a nice read for everybody on a Friday or Saturday night. Let's move on to agenda item 12. Commissioner comments or announcements and requests for information, either of you have anything you want to throw out there at this time?

**12. COMMISSIONER COMMENTS OR ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION:**

**All:** No, thank you.

**David:** Oh, okay. Thank you both. All right, we'll move on to item 13, public comment at this time, the public is invited to comment in any matter that is not specifically included on the agenda as an action item. Action may be taken on a matter raised under this item of the agenda. Is there any public comment in the room? Okay, seeing none, we'll move on to agenda item 14, could I get a motion to adjourn?

**Clay:** So moved.

**David:** Thank you, Clay. We are adjourned. Thank you, everybody.

**Allyson:** Thanks, David.

**13. PUBLIC COMMENT:**

**14. FOR POSSIBLE ACTION: TO ADJOURN.**