

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, November 29, 2023 Meeting
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A regular meeting of the Nevada Commission for the reconstruction of the V&T Railway was held at 9:00 a.m. on Wednesday, November 29, 2023, in the Community Center Robert “Bob” Crowell Boardroom, 851 East William Street, Carson City, Nevada.

The meeting video is available on Carson City’s website by clicking on the link below:

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

STAFF: Todd Reese, Senior Deputy District Attorney
Cherrie Bailey, Executive Assistant
Tamar Warren, Senior Deputy Clerk

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

(9:00:20) – Chairperson Peterson called the meeting to order at 9:00 a.m. Roll was called and a quorum was present. Chairperson Peterson led the Pledge of Allegiance.

4. PUBLIC COMMENT

(9:01:23) – Chairperson Peterson entertained public comments; however, none were forthcoming.

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES OF THE OCTOBER 25, 2023, MEETING

(9:01:32) – Chairperson Peterson introduced the item and entertained comments or edits to the minutes. When none were forthcoming, he entertained a motion.

(9:01:49) – **MOTION:** Secretary Hicks moved to approve the minutes of the October 25, 2023 meeting. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T COMMISSION’S STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID OCTOBER 1-31, 2023.

(9:02:13) – Chairperson Peterson introduced the item, referenced the Staff Report which is incorporated into the record, and entertained questions. When none were forthcoming, he entertained a motion.

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(9:02:48) – MOTION: Treasurer Kruse moved to approve the checks paid October 1-31, 2023. The motion was seconded by Secretary Hicks and carried 5-0-0.

7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T COMMISSION’S FISCAL YEAR (“FY”) 2023/2024 BUDGET REPORTS, PERIOD ENDED OCTOBER 1-31, 2023.

(9:03:14) – Chairperson Peterson introduced the item and referenced the Staff Report which is incorporated into the record. He also explained that the numbers would look “significantly different” after reconciling THE POLAR EXPRESS (PEX) Train Ride Production revenue. Secretary Hicks received confirmation that the payment from Mr. Roy Street was also not reflected in this report. Vice Chair Mitchell inquired about the \$150,000 expense under the Interlocal Support line item and Chairperson Peterson explained that it was the amount transferred from the Culture and Tourism Authority for the paving of the parking lot, in the form of a first payment to SNC Construction. There were no additional comments; therefore, Chair Peterson entertained a motion.

(9:05:22) – MOTION: Treasurer Kruse moved to approve the adjusted V&T Commission’s Fiscal Year (FY) 2023/2024 budget report for the period ended October 1-31, 2023. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T COMMISSION’S FY 2023 ANNUAL AUDIT REPORT AND FINANCIAL STATEMENTS.

(9:05:48) – Chairperson Peterson introduced the item. Suzanne Olsen of Casey Neilon, Inc. reviewed the Commission’s FY 2023 Audit Report and Financial Statements as of June 30, 2023 (with the added late material), incorporated into the record, and responded to clarifying questions. Commissioner Schmitter preferred to see more detail in the form of sub-items within the merchandise categories. It was noted that the change of direction had happened for this fiscal year to ensure fewer augmentations; however, it could be pulled out for FY 2025. Storey County Comptroller Jennifer McCain (participating via telephone) clarified that “a couple of years ago” it had been decided to have a “more general budget audit – more what [the Department of] Taxation is interested in seeing.” She offered to resend the more granular financial report dated June 30, 2023. Discussion ensued regarding highlighting specific items (page 4 of the report) and the Commissioners were in favor of that.

(9:41:04) – The recommendation from Ms. Olsen to have “the Commission implement procedures to ensure that the inventory count is complete, accurate, and reviewed by a person with the skill, knowledge, and experience” was discussed and Chair Peterson clarified that the procedures existed; however, they were not followed precisely. Ms. Olsen clarified that FY 2022 had “a clean inventory;” therefore, the policy should be implemented for the new fiscal year (including the valuation of the merchandise) and to “get 2023 fixed.” Vice Chair Mitchell recommended the

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following change to the “Cause” of the Material Weakness of the Inventory Count item on page 20: “*Procedures have not been put in place to ensure that the count is complete, ~~and accurate,~~ and properly reviewed by the end of the fiscal year at the end of the PEX season.*” Chairperson Peterson highlighted the fact that the orders for the PEX merchandise have to be placed early. Ms. Olsen also stated that Note 4 (page 13) required confirmation that the note receivable was in arrears on June 30, 2023. There were no public comments; therefore, Chairperson Peterson entertained a motion.

(9:55:44) – **MOTION:** Vice Chair Mitchell moved to approve the V&T Commission’s FY 2023 Audit Report and Financial Statements as presented by Casey Neilon, Inc., with the changes discussed on the record. The motion was seconded by Commissioner Schmitter and carried 5-0-0.

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED AMENDMENT #2 TO CONTRACT NO. FY23-C002 WITH VIRGINIA & TRUCKEE RAILROAD (“VTRR”), INCREASING THE CONSIDERATION AMOUNT FOR THE SERVICES DESCRIBED IN AMENDMENT #1 BY \$40,000, FOR AN ADDITIONAL TOTAL AMOUNT NOT TO EXCEED \$100,000, AND EXTENDING THE TERM OF AMENDMENT #1 FROM DECEMBER 31, 2023, THROUGH JUNE 30, 2024.

(9:56:48) – Chairperson Peterson introduced the item and thanked Thomas Gray and Candy Duncan of the Virginia & Truckee Railroad (VTRR) for “stepping up” with all the operations, including the PEX. He explained that the amendment would cover all their added responsibilities. Secretary Hicks thanked Mr. Gray and Ms. Duncan and recommended adding the funding source to all the Staff Reports involving funding. Chair Peterson did not see an issue with that; however, he noted he would speak to the District Attorney’s office as well. Vice Chair Mitchell inquired whether this was a budgeted expense and Chair Peterson believed that the Professional Services line item would be used. There were no additional comments; therefore, Chairperson Peterson entertained a motion.

(10:04:50) – **MOTION:** Secretary Hicks moved to approve the Second Amendment to the VTRR contract as presented. The motion was seconded by Vice Chair Mitchell and carried 5-0-0.

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED INSTALLATION OF A MEMORIAL STATUE OF GROSH BROTHERS (“THE STATUE”) ON PROPERTY OWNED BY THE V & T COMMISSION AND DIRECTION TO STAFF TO INVESTIGATE THE FEASIBILITY OF THE PROPOSAL AND POTENTIAL LOCATIONS FOR THE PLACEMENT OF THE STATUE.

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(10:0526) – Chairperson Peterson introduced the item. Bob Thomasson introduced himself as a retired mechanical engineer and reviewed a PowerPoint Presentation, incorporated into the record as late material. In the presentation, Mr. Thomasson reviewed the proposed “conceptual sketch” of the statue and its proposed location at the Gold Hill Depot on V&T property. He also clarified that the project would be funded by individual donations, benefactors, grants, and in-kind donations of goods and/or services. Vice Chair Mitchell believed that the proposed location was V&T property. Commissioner Schmitter wished to ensure that the Comstock Historic District Commission and was informed by Mr. Thomasson that they were unofficially aware of the project. He was instructed to receive approval from the Commission.

Secretary Hicks was uncertain that the project fell under this Commission’s purview; therefore, recommended minimal use of Staff time. She also wished to have several questions answered such as ownership and maintenance of the statue, irrigation needed, etc. included in the agreement. She recommended looking into Carson City’s public art policy and offered to send it to Ms. Bailey. Chairperson Peterson recommended reviewing the Storey County public policy as well. Vice Chair Mitchell recommended working with the Comstock Historic District Commission first, adding that legal reviews, such as easements, leases, etc. should also be considered prior to generating any agreements. Discussion ensued regarding the artist recruitment process and Chair Peterson offered to connect Mr. Thomasson with Carson City’s Art and Culture Coordinator. Vice Chair Mitchell recommended defining the Commission’s role and involvement in the project.

(10:31:28) – MOTION: Vice Chair Mitchell moved to instruct Staff and the Commission’s contractors to investigate the feasibility of the placement of an art installation honoring the Grosh brothers on the Commission’s property in Gold Hill, and to bring back recommendations at a subsequent meeting. The motion was seconded by Commissioner Schmitter and carried 5-0-0.

11. FOR DISCUSSION ONLY: MONTHLY NON-ACTION ITEMS:

A. CHAIR UPDATE ON:

1. THE STATUS OF ESCROW NO: 02303122 – RELATED TO CERTAIN PROPERTY WITH APN 008-522- 15, LOCATED AT 3581 DRAKO WAY, CARSON CITY.

(10:32:32) – Chairperson Peterson introduced the item and stated that the final payment, including interest and penalties, had been received on November 13, 2023.

2. THE POSSIBLE ENGAGEMENT WITH STATE OF NEVADA AGENCIES WITH COMMON GOALS AND OBJECTIVES REGARDING THE LONG-TERM VIABILITY AND SUSTAINABILITY OF THE V&T COMMISSION.

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(10:33:42) – Chairperson Peterson noted that the Director of the Department of Nevada Tourism and Cultural Affairs had requested holding off discussions until the hiring of the new Railroad Museum Director.

B. THE POLAR EXPRESS TRAIN RIDE PRODUCTION REPORT – CARLA WILSON

(10:34:51) – Chairperson Peterson explained that Ms. Wilson was not in the room to present; however, he informed the Commission that the event had been sold out and was receiving “great positive comments.”

C. OPERATIONS REPORT – THOMAS GRAY, VTRR

D. TRAIN OPERATIONS REPORT – THOMAS GRAY, VTRR

(10:35:16) – Chairperson Peterson introduced both items. Mr. Gray provided the Operations Reports, noting that “lots of track work” was being done, including upcoming track and culvert inspections. He also noted the following: no pre-emergent treatment has been done yet; Carson City track inspection is planned for this evening; a pothole near the entrance must be repaired immediately; solar lights near the entrance have been ordered; two light boards have been supplied on the highway; five light plants have been rented. Mr. Gray also noted that patrons had been complaining about the parking situation. He suggested having a parking greeter and stated that the employees would not park in the main parking area, adding that being out of dumpster space had also been a challenge. Mr. Gray believed that the hot chocolate would be produced twice as fast due to the water inside the hot chocolate room, adding that families tend to get upset when they arrive late and are unable to sit together, and stated he could not find the event banner. He also recommended a better breakdown of the budgetary items. Discussion ensued regarding uneven ground and the darkness in the parking areas. A shuttle to/from Gold Dust West Casino was discussed.

E. UPCOMING MEETING:

1. COMMISSION MEETING ON JANUARY 24, 2024 AT 9:00 AM

(10:52:50) – Chairperson Peterson read the item into the record.

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

(10:53:15) – Vice Chair Mitchell discussed a public comment that had been made during the Carson City Regional Transportation Commission (RTC) meeting’s Local Roads Funding agenda item where a commenter had referenced this Commission’s financials which he believed was mischaracterized. He stated that he wished to provide clarification at the next RTC meeting as an individual, not representing the commission. Vice Chair Mitchell noted that the individual had submitted a written public comment, referencing losses (which were actually depreciation) by the

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Commission and had suggested using the funds for roads. He believed there was value in correcting the record at the next meeting via public comment. Chairperson Peterson believed that it was a good idea and clarified that this was a State Commission and not a private enterprise. Secretary Hicks thanked SNC and Ken Dorr for their assistance in getting the parking lot repaved and explained that “the cutting down of the brush along the sides of the roadways didn’t get accomplished during the rest of the project, but SNC is still going to come out on their own schedule and do that for us just to help prevent any issues when and if snow gets here.” Chairperson Peterson announced that he had discussed running the trains on Memorial Day Weekend on Friday night for the Mark Twain event with Mr. Gray, who had agreed to a fourth car.

CLOSED NON-MEETING TO CONFER WITH OPERATIONS MANAGER AND COUNSEL.

This item did not take place.

13. PUBLIC COMMENT

(10:57:56) – Chairperson Peterson entertained final public comments; however, none were forthcoming.

14. FOR POSSIBLE ACTION: TO ADJOURN

(10:58:12) – Chairperson Peterson adjourned the meeting at 9:18 a.m.

The Minutes of November 29, 2023, Nevada Commission for the Reconstruction of the V&T Railway meeting are so approved this 24th day of January 2024.

Stephanie A. Hicks
STEPHANIE HICKS, Secretary