

NEVADA COMMISSION for the RECONSTRUCTION of the RAILWAY
Monday, December 14, 2015 - 3:00 p.m.
Carson City Community Center — Bonanza Room
851 East William Street (Highway 50 and South Roop Street) Carson City, Nevada 89701

MEETING MINUTES

Notice: Items on the agenda may be taken out of order; two or more agenda items may be combined for consideration; and items may be removed from the agenda or discussion relating thereto delayed at anytime. This is the tentative schedule for the meeting. The Commission reserves the right to take items in a different order to accomplish business in the most efficient manner.

The following minutes are a summarized explanation of the topics discussed. A taped recording of these proceedings will be kept for review. A copy is kept on a flash drive in Microsoft Word A copy has been emailed to the Project Coordinator.

3:00 p.m. CALL TO ORDER

Chairman Millard called the meeting of the Nevada Commission for the Reconstruction of the V&T Railway to order at 3:00pm and asked for the roll to be called.

1. ROLL CALL

PRESENT:

Chairman Dwight Millard
Commissioner Bob Hastings
Vice-Chairman Bob Crowell
Commissioner Ron Allen
Commissioner Jack McGuffey

ABSENT:

Commissioner Delsye Mills
Commissioner John Tyson
Commissioner Vaughn Hartung
Commissioner Doug Johnson
Michael S. Rowe, General
Counsel

OTHERS:

Kevin Ray, Project Coordinator
Ken Door, Manhard Consultanting
Bob Robinson, Greater Nevada Business Solutions, LLC

We do have a quorum present.

2. APPROVAL OF THE AGENDA

This is the tentative schedule for the meeting. The Commission reserves the right to take items in a different order to accomplish business in the most efficient manner. Two or more items may be combined for consideration, and items may be removed from the agenda or discussion relating thereto delayed at any time.

Chairman called for corrections or additions to the agenda. Commissioner Allen made the motion to approve the agenda. Commissioner McGuffey seconded the motion. Chairman called for discussion and the question. The motion carried and was so ordered.

3. PUBLIC COMMENT ON NON-AGENDIZED ITEMS: Discussion may be limited to three minutes per person at the discretion of the Chairman. No action may be taken on a matter

raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.

Kim Fegert passed around photos of his father working on the railroad tracks.

4. FOR POSSIBLE ACTION - APPROVE THE MINUTES OF JULY 30, 2015

Commissioner Allen made the motion to approve the minutes of July 30, 2015. Commissioner McGuffey seconded the motion. Chairman called the question and the motion to approve the minutes carried and was so ordered.

5. FOR POSSIBLE ACTION - DISCUSSION AND POSSIBLE ACTION TO ACCEPT ANNUAL AUDIT FOR FISCAL 2014/2015

Lauren Berggren, from Eide and Bailly, gave comments on the audit report. After the report was given Commissioner Crowell had a question with regards to the Commission's response to the Finding. There was a lengthy discussion among the Commissioners. Kevin stated the Finding response statement was actually left over from Penny Hamptson's notation from the prior year's audit. Lauren explained that 95% of all small budgets like ourselves had the same Finding statement. Lauren suggested the following change to the finding response: " Due to limited staff, the Commission has chosen to contract with Eide Bailly, LLP, to prepare its financial statements and related financial statement disclosures. The Commission is satisfied that the most cost efficient approach is to outsource the financial statement preparation function. Therefore, the Commission will continue to contract with the external auditor to prepare the Commission financial statements and adjust the general ledger as necessary" .Commissioner Allen made the motion to accept the annual audit for fiscal 2014/2015 upon the suggested correction by Lauren to the Management's response to the Finding. Commissioner McGuffey seconded the motion. Chairman called for discussion on the motion. Chairman then called the question. The motion carried and was so ordered.

6. FOR POSSIBLE ACTION - TREASURER'S REPORT- RON ALLEN

The Commission Cash Position was stated and handed out. The cash balance as of December 12, 2015 was \$415,756.35. The estimated revenue for June 30, 2016 was \$354,000.00. The estimated expenditures for June 30, 2016 was \$371 ,300.00. The total estimated cash balance for June 30, 2016 is \$398,456.35.

7. FOR POSSIBLE ACTION - RATIFY THE PAYMENT OF COMMISSION AND ENTERPRISE FUND BILLS

The total of bills for the Commission to be ratified was \$101 ,503.48. The total of bills for the Enterprise Fund to be ratified was \$894,013.27. Jack McGuffey made the motion to ratify the payment of Commission bills and Commissioner Hastings seconded the motion. Commissioner Hastings made the motion to ratify the payment of the Enterprise Fund bills and Commissioner McGuffey seconded the motion. Chairman called for questions on both motions and then called the question. Both motions carried and were so ordered.

8 ENGINEERING REPORT - KEN DORR

Ken gave his report on the progress of engineering work to be done and what was being done. Ken noted that the fill for the Y at Eastgate might need a new environmental statement.

9. PROJECT COORDINATOR REPORT - KEVIN RAY

Kevin thanked several people for their help and support during the Polar Express. Kevin also expressed his appreciation for having worked with such wonderful people through the years.

10. MARKETING REPORT - CANDY DUNCAN

Candy reported that the Polar Express sold out and the event ran smoothly. Rail Events rode with us on Sunday, December 13th and was very impressed with our crew, cast, and depot. A full evaluation from them will be sent after the first of the year. Several groups have already expressed interest in booking for 2016.

11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION TO RENEW INDEPENDENT CONTRACT WITH CLASSIC OPTIONS AND KEVIN RAY AS PROJECT COORDINATOR FOR AN ANNUAL TOTAL OF \$12,000.

Kevin reported that he would like to continue as coordinator for January and February, and then recommended that the Commission consider extending the contract for 10 months to Candy Duncan. Commissioner Allen made the motion to renew the Independent Contract with Classic Options and Kevin Ray as Project Coordinator for an annual total of \$12,000.

Commissioner Hastings seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

12. FOR POSSIBLE ACTION -DISCUSSION AND POSSIBLE ACTION TO APPROVE DEPOT

OPERATIONS, MANAGEMENT AND STAFFING CONTRACT FOR 2016-2018 WITH

GREATER NEVADA BUSINESS SOLUTIONS, LLC. ANNUAL CONTRACT MANAGEMENT \$42,000 - ANNUAL STAFFING CONTRACT \$61 ,500

Commissioner Allen made the motion to approve the depot operations, management and staffing contract for 2016/2018 with Greater Nevada Business Solutions, LLC. The annual contract for management is \$42,000 and annual staffing contract for \$61 ,500. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

13. FOR POSSIBLE ACTION -DISCUSSION AND POSSIBLE ACTION TO RENEW

ENTERPRISE FUND ACCOUNTING CONTRACT WITH BOB ROBINSON/GREATER

NEVADA BUSINESS SOLUTIONS, LLC. FOR 2016-2018. ANNUAL CONTRACT \$30,000 Vice-Chairman Crowell made the motion to renew the Enterprise Fund Accounting Contract with Bob Robinson/Greater Nevada Business Solutions, LLC for 2016-2018. Annual Contract is in the amount of \$30,000. Commissioner Allen seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

14. FOR POSSIBLE ACTION -DISCUSSION AND POSSIBLE ACTION TO RENEW

MARKETING/PROMOTIONS AND CUSTOMER SERVICE/TICKET SALES
CONTRACT FOR
2016-2018 WITH R LINE OF WORK, LLC. -ANNUAL CONTRACT
\$45,000

Vice-Chairman Crowell made the motion to renew the Marketing/Promotions and Customer Service/Ticket Sales Contract for 2016-2018 with R Line of Work, LLC. The Annual Contract is in the amount of \$45,000. Commissioner Allen seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

15.FOR POSSIBLE ACTION -DISCUSSION AND POSSIBLE ACTION TO
APPROVE

CONTRACT AMENDMENT #2 FROM GABE WILL-AMAN RAILROAD
CONSTRUCTION
COMPANY TO PROVIDE FOR TRACK INSPECTION AND
MAINTENANCE SERVICES FOR 2016 THRU 2018 CONTRACT FOR
BASIC SERVICES \$ 49,750 AND SPECIAL SERVICES \$134,310 AS
AUTHORIZED.

Vice-Chairman Crowell made the motion to approve Contract Amendment #2 from Gabe Willaman Railroad Construction Company to provide track inspection and maintenance services for 2016 thru 2018. The contract for basic services is for \$49,750 and \$14,310 for special services as authorized. Commissioner Allen seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

16. DISCUSSION AND POSSIBLE ACTION TO ACCEPT THE OFFER FROM
DWIGHT

MILLARD TO PURCHASE THE CONFERENCE ROOM TABLE
LOCATED AT THE DRAKO WAY PROPERTY FOR \$100. THE
BUYER OF THE PROPERTY HAS REQUESTED THAT THE TABLE
BE REMOVED BY THE COMMISSION.

Commissioner Allen made the motion to accept the offer from Dwight Millard to purchase the conference room table located at the Drako Way property for \$100. Commissioner McGuffey seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

17 _ FOR POSSIBLE ACTION -DISCUSSION AND POSSIBLE ACTION TO
AUTHORIZE THE

CHAIRMAN TO ARRANGE FOR CLEANUP OF THE DRAKO WAY
PROPERTY IN
CONFORMITY WITH THE TERMS OF THE SALE OF THE PROPERTY

Vice-Chairman Crowell made the motion to authorize the Chairman to arrange for cleanup of the Drako Way property in conformity with the terms of the sale of the property. Commissioner

McGuffey seconded the motion. Chairman called for discussion on the motion, then the question. The motion carried and was so ordered.

18. VIRGINIA AND TRUCKEE RAILROAD CO. REPORT INCLUDING REPAIRS TO ENGINE #18 Tom Grey reported on the repairs being made to Engine #18 and work to be done.

19. COMMISSION CHAIRMAN REPORT - DWIGHT MILLARD

Dwight stated that he was happy as to how things are going and will pursue further legislation at the Legislative Session. Dwight thanked a number of people for a successful Polar season.

20. COMMISSIONER COMMENTS

Jack McGuffey commented that they're still working on the Interlocal Agreement and any discrepancies.

Commissioner Crowell thanked Dwight for all his hard work.

21. FOR POSSIBLE ACTION - NEXT COMMISSION MEETING

A budget meeting will be scheduled sometime in April or May. Notification of date and time will be sent out.

22. PUBLIC COMMENT ON NON-AGENDIZED ITEMS: Discussion may be limited to three minutes per person at the discretion of the Chairman- No action may be taken on a matter raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. There was no further public comments.

23. FOR POSSIBLE ACTION: ADJOURNMENT Dwight adjourned the meeting.

Respectfully Submitted By:

Brenda Frank
Manpower, Inc.