

2. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – 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. The Commission may combine two or more items for consideration and may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Mr. McGuffey made the motion to approve the agenda.

Second – **Mr. Marano**

Approved – Unanimously

3. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION 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.

Mr. Kittess stated that he has been attending the V&T meeting since 2006. He appreciates that the Legislature has chosen to change the structure and so we have a new prospective with tourism and all of that is good. He would like to help you with your prospective and asked prior to your next meeting that you see the principle and interest paid by Carson City on the Bonds and the principle and interest paid by the Visitors Bureau. He would like to see the amount of money that Carson City and the Visitors Bureau have subsidized and the interest for each year. There were years that there was a shortfall and Carson had to come up out of the General Fund with more money than the income. He believes it to be a ½ million or a million dollars over and above the regular schedule. I think it would be of interest to know the amount of money that Storey County has contributed through September 30th on each of the bonds. Prior to the change there was always hope that the other counties would participate with pay. We sat through meeting after meeting where there were all kinds of reasons why they can't do it this year or next year. He thinks it would be of interest to see how much through September 30th Douglas, Washoe and Lyon Counties actually contributed. There is no more hope for Carson City tax payers for those three counties to contribute because they are gone. His point is we have listened for the last three years about the Storey County and Virginia City MOU are they going to pay anymore or is it all Carson City's burden.

Ms. Barde just a point of clarification there is a new member on the board and does not recall that it was announced or presented in the public meeting of the Commission.

Mr. McGuffey reported that he spoke with Mayor Crowell last week who has been on the board for eight years and stated that he wanted to step down and he recommended Nick Marano take his place. **Ms. Barde** stated that this is an announcement that should go on public record. **Mr. McGuffey** stated not to get into it during public comment but this was a publicly noticed action of the Carson City Board of Supervisors. It was agenzized, published and voted on a week ago. **Ms. Barde** said thank you and welcome. **Mr. Dotson** thanked the Board for having the confidence in him to lead us into a new era and wants to say thank you to the past board members, particularly Dwight Millard for his years of service that he put in with hard work and sweat. We are going to lean on the expertise in this room and folks who are not here to make this what it should be for the region.

4. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – FOR POSSIBLE ACTION – APPROVE THE MINUTES OF AUGUST 17, 2017**

Mr. Dotson reported that when we do approve this item it should be noted that we were not

present on the board at that time, it was done under a different board with exception of Jack McGuffey, so as we look to approve those we make the recognition that we were not here and can't speak to it pacifically to approve it.

Mr. McGuffey made a motion to approve the minutes of the August 17, 2017 knowing that this board was not seated at that time and cannot verify the accuracy.

Second – **Mr. Marano**

Approved – Unanimously

5. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSIONS ATTENTION FOR POSSIBLE ACTION: APPOINTMENT OF AUTHORIZED SIGNER(S) FOR ACCOUNTS PAYABLE.**

Mr. Dunn reported that the only authorized signer on the account left on September 30th. He would like to see at least two signers from both Carson City and Storey County on the Account.

Mr. Dunn made a motion for Chris Kipp from the Carson City Visitors Bureau and a designee from the City of Carson City side. **Mr. Dotson** made a motion to approve Katie DeMuth from his office and himself as the Chair. **Mr. Marano** would like to nominate the Deputy City Manager Nancy Paulson for the City of Carson City.

Mr. Dunn made a motion to approve the four designated signees for the account for the Commission.

Second - **Mr. McGuffey**

Approved - Unanimously

Mr. Dunn reported that there will be two signatures required.

6. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION - FOR POSSIBLE ACTION – APPROVE THE TREASURER'S REPORT & BALANCE SHEET – BOB ROBINSON.**

Mr. Robinson reported that the Enterprise fund for the month of August we have had ticket sales in the amount of \$67,071 and total income of \$68,416. We had expenses in the amount of \$117,815 so that left us with an operating loss of \$49,398 for the month. The year to date of \$223,692 in gross income with expenses for the calendar year of \$243,376 leaving a net loss after commission funding and grants of \$170,448. **Mr. Robinson** reported that the balance sheet at August 31st we had \$127,348 in the bank and prepaid tickets in the amount of \$295,836. On the accounts receivable we had a total at August 31st of \$10,750 and in accounts payable as of August 31st \$49,136. The General Fund at August 31st we had \$183,438 of which \$171,456 held specifically and earmarked for the engine #18 repair which leaves \$11,982 available. At August 31st for the month of August we had total revenues of \$11,540 and expenses of \$14,283 which resulted in a net loss of \$2,743 on the General Fund. The check list on the Enterprise Fund there is total expenditures since our last meeting of \$192,991 and on the Commission level we had checks written in the amount of \$10,279. **Mr. McGuffey** stated that there is still \$11,000 still available for the repair of engine #18. **Mr. Robinson** stated that there is \$171,456 of the \$183,438 earmarked that can be spent on repairs. This has not been a formalized but this is what Storey County has requested. **Mr. Kittess** stated that at the last meeting or the one before there was a least going to be a note at the bottom with the \$171,000 that is held and does not see a note anywhere.

Mr. McGuffey made a motion to approve the financials as presented.

Second – **Mr. Dunn**

Approved – Unanimously

7. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – FOR POSSIBLE ACTION – MARKETING REPORT – CANDY DUNCAN**

MS. DUNCAN reported that tomorrow is the last Saturday run for this year and are just about sold out for tomorrow's steam train with 98 guests riding at 4:00 for the Toast of the Canyon ride and Sunday will probably sell out. We partnered with Virginia City on four cooperative marketing campaigns this summer; The Taste of the Comstock, Hot August Nights, Street Vibrations and the Outhouse Races. All of the train rides were sold out or nearly sold out. This year there were forty eight round trip rides with twenty four riding at capacity. Most regular round trip were sold even after changing to engine #29. We have applied for two tourism grants for the off season advertising. There will be free photos on the weekends that are downloadable, train trivia, send out past riders e-mails and promotions on social media for Polar Express. The VIP tickets are almost sold out for Polar Express. The coach had 14,500 tickets available with 8,152 remaining. We also did an e-mail blast for Thomas the Train in Virginia City. Tickets for Polar Express started in June. **Mr. Dotson** asked if there is a budget for each special train. **Ms. Duncan** reported that they did a budget for the co-ops. The special trains she does not know. **Mr. Robinson** reported that the Canyon Run cost \$575 so it is always profitable. **Mr. Dotson** stated that he looks forward to doing more great things. **Mr. Dunn** stated that at a later agenda item under upcoming meetings he will be looking to address possibly having another meeting fairly quickly to appoint some committees for instance a marketing committee.

Mr. Dunn made a motion to approve the Marketing Report.

Second – **Mr. Marano**

Approved – Unanimously

8. **CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – FOR POSSIBLE ACTION: POLAR EXPRESS UPDATE.**

Ms. Duncan reported that for Polar Express we do have contracts in place with Rail Events who is the franchise holder for this year and will have to do a new contract going forward. They also have the insurance. We have a contract with Craig Marshal who is the photographer. We have a lighted sign permit for the sign on hwy. 50 from the Sheriff and Hwy. Patrol. Granite Construction supplies the sign in return for tickets to the dress rehearsal ride. They also bring in the light standards. The depot will be staffed and decorated by Mr. Robinson's team. The outside lights were previously done by Mr. Millard's team so we will need someone to do those. There is a need to make sure we have snow removal in the parking lot. Mr. Robinson will hire someone to coordinate parking. The sound system in the depot will need to be checkrd. **Ms. Duncan** reported that she will be at the depot every night from about 3:30 until 10:00 doing customer service. **Mr. Gray** has a great staff on the train who keep to the schedule. The North Pole in the past was put up by Dwight Millard's construction company so we will need to pick up the flats that the North Pole is stored on and installed properly with lighting and be tied down due to the wind. **Ms. Joy Evans** has all the volunteer elves ready but will need a trailer to keep them warm in between train times. We need to coordinate with Parks & Recreation regarding the equipment for the power to the North Pole. The volunteers do receive snacks and food. We have a new director this year Karla Wilson who puts together the cast and direction for the Polar Express. **Ms. Duncan** reported that she went to a Polar Express camp in Durango Colorado to learn the new requirements for being a franchise. This is our ninth year and Rail Events ranks us number seven of all of their 55 Polar Expresses.

Mr. Dotson asked **Mr. Robinson** if there is a standalone event budget for Polar Express?

Mr. Robinson stated yes, **Mr. Dotson** asked how much do we pay or budget for the construction of the North Pole and tear down. **Mr. Robinson** stated that he would have to look that up specifically. **Mr. Dotson** reported that the way the agenda was worded tonight we are not able to assign committee members today formally. And will agenize it for next meeting.

Mr. Dunn made a motion approve the Polar Express update.

Second - **Mr. McGuffey**

Approved – Unanimously

9. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – FOR POSSIBLE ACTION: VIRGINIA AND TRUCKEE RAILROAD CO. REPORT INCLUDING REPAIRS TO ENGINE #18 – TOM GRAY

Mr. Gray congratulated the new board. This is the 42 year of operation. Mr. Gray went over the work that has been done on Engine #18. The federal inspection of the boiler was down about two weeks ago. We expect to be running on course for next year.

Mr. McGuffey made a motion to approve the engine update from Virginia & Truckee Railroad Company concerning repairs of Engine \$18.

Second – **Mr. Dunn**

Approved – Unanimously

10. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION - POSSIBLE ACTION: ENGINEERING REPORT – KEN DORR

Mr. Dorr reported that Gabe Willaman our track maintenance contractor is here tonight who will be finishing up the inspections for the regular season this week and will be doing inspections to support the Polar Express. Mr. Dorr reported that NDOT inspects the Hwy. 50 Bridge once a year and he is working on a maintenance manual for it. There are some smaller items that need to be done along with painting the bridge and lighting updates. This will included having traffic control for around \$750. Update on the FEMA projects; first disaster 4303 approved for four separate projects. Two have been complete one was emergency repairs and second was embankment repair. The third one will be for tunnel #2 repairs due to the flood. Every year there is a facility inspection of the entire railroad this was done after the storm to make a priority list of all that needs to be taken care of. Mr. Willaman does weed abatement on a regular basis. The original contract was for about \$9,000 but material price will make it around \$11,000 and will be deferred to next year. Because of not having the weed abatement cost and the savings on labor costs from deferred maintenance items there will be a savings of around \$11,000 this year.

Mr. Dorr reported regarding project #4 from FEMA on ditch cleaning which went out for formal bid. This includes from above the Carson River Canyon to Gold Hill. The amount for the bid is \$100,000 versus the State of Nevada which is \$250,000. Three bids were received with Rail Works being the low bidder back in July with availability of funding which did not come forward. Mr. Dorr reported that he received notification from FEMA indicating that all projects that were not approved prior to August 27th the funding was suspended. This will be reinstated but needed to shift some of the preapprove funding to the disasters in Texas and Florida. Mr. Dorr reported that he pulled the contract and it is voided. If this is approved under the next agenda item none of that work will be reimbursed by FEMA.

Mr. McGuffey thanked Mr. Dorr for the update. Looking through the minutes from the previous meeting you briefed a letter from July 16th summarizing all of the repairs and bids that have been done, he would like a copy of that. **Mr. Dorr** gave a summary of the repairs needed to tunnel #2.

Mr. McGuffey made a motion to support Mr. Dorr's Track Maintenance report.

Second – **Mr. Dunn**

Approved – Unanimously

11. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSIONS ATTENTION – POSSIBLE ACTION: TRACK MAINTENANCE CONTRACT – KEN DORR

Mr. Dorr reported that with the deferral of the big maintenance project that we bid and because of

the funding to take care of the \$242,000 amount of work. There is still a lot of work to be done out there hopefully before any additional storms. There has been temporary cleaning of some of the ditches in January and February of last year. It was apparent that we were in violation of the Track Safety Requirement that we have to maintain our drainage facilities. Mr. Dorr stated that he asked Mr. Willaman and Mr. Gray to get together a proposal which would be time and material with the use of Mr. Gray's equipment to proceed with some of this work. Mr. Dorr went over the equipment needed and details of what needs to be done, about three weeks of work. Mr. Dorr stated that he will need some sort of cost basis for this. The estimate came out to about \$48,000. This work needs to be done ASAP to protect our facility there will be no reimbursement from FEMA if we go this way. This does not mean we cannot put another project out to former bid to keep with their procurement regulations.

Mr. McGuffey asked Mr. Robinson is there is a reserved fund for maintenance. **Mr. Robinson** reported no but Storey County has some funds that are earmarked specifically for the train from their tax income. **Mr. Marano** stated that knowing that safety is the most concern and integrity of the track and that we have not done an audit on the financial side, are there items that can be done next month or the month after. Knowing right now we do not have the funds to do this. **Mr. Dorr** reported that he spoke with Mr. Willaman and Mr. Gray, if they started in October most of the billing would come in December. NDOT is cleaning their ditches right now. **Mr. Dunn** reported that regarding the stakeholder SWOT analysis having no funding for the maintenance was a top concerns. Mr. Dunn stated that instead of deferring this to next year we could start the process of a committee to look at a plan, very quickly, for a maintenance agreement. This could come back with a special meeting within a couple of weeks so we could get a committee together because we have to identify revenue sources outside the existing funding. **Mr. Dorr** stated the maintenance budget with the Enterprise Fund does basically cover some inspections and light regular maintenance. There is no emergency fund setup for things like this although the track is in pretty good shape. **Mr. Gray** stated that some of this work needs to be done before any other weather hits, the culverts have already filled up. **Mr. Dunn** stated that if we can convene a special committee as early as next week and could come back as quickly as we can agree with approval of finding a revenue source for some of these items that have to be done before any storms. Is two weeks out Ok? **Mr. Gray** stated yes and the meeting should be done on a section of track to get a better understanding.

Mr. Dunn made a motion to table item #11 with the intent to potentially come back within a week with the posting requirements to form a committee that will address maintenance and ongoing funding abatements and identifying a revenue source to move forward. And again with the posting requirements come back with approval of that revenue so we can move forward with not all portions of this proposed contract.

Second – **Mr. McGuffey**

Approved – Unanimously

12. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE BOARD ATTENTION – FOR POSSIBLE ACTION: ATTORNEY'S REPORT – MICHAEL SMILEY ROWE.

Mr. Rowe stated that if the Board decides to take that tour remember you have to notice it and make sure that there is no action taken and you do not discuss anything while you are doing that outside of the public forum so people can have the opportunity to respond. Mr. Rowe reported that on December 29, 2015 Mr. Millard signed a proposal extending the track maintenance agreement with Mr. Willaman through 2018 but as Mr. Dorr noted for certain discreet activities as that are identified in the schedule, he thinks this was passed out to you, as part of his handout. While this is enforced it does not address the problems of which Mr. Dorr has mentioned. Mr. Rowe stated that Mr. Dorr has mentioned that he cannot do it but he can. He was contacted this week from FEMA about the second flood event where we did not file anything, somebody had to sign off that we were not going to be applying for any relief funding for that. We have been looking at the asset for funding from the Drako Way building and if you look at item #16 from the last minutes you can see

the latest that was discussed on that and put that specific discussion on your agenda. That way you can discuss the Drako note and what may or not may be the desire of this board. When Mr. Millard was chairman he wanted to investigate selling the note and then it was possibly going to be pledged to Storey County for funds coming to the commission. He thinks this is a source of revenue and would put a discussion of the Drako Way Note and the status of it on the next meeting. Mr. Robinson had reported that on August t 17th the value of it was \$469,881. He also discussed with the Storey County Manager that there is a plot of land next to the Gold Hill depot that could be negotiated in the works. This land was donated to the Commission.

Mr. Dunn made a motion to approve the Attorney's report, Michael Smiley Rowe.

Second – **Mr. Marano**

Approved - Unanimously

13. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION - FOR POSSIBLE ACTION: SET THE NEXT MEETING DATE(S)

Mr. Dotson reported that it is the goal of this Board to be transparent and have one common link with a good source of information. **Mr. Dunn** stated that he would like to post next Monday by 9:00 a.m. to meet the requirements to have a special meeting Thursday afternoon if the Board is available; it is a Board of Supervisors meeting date though. There is an immediate need for a subcommittee for the Polar Express for finance, funding and maintenance. The committee would include no more than two members of the Commission and members of the public. **Mr. Rowe** stated that there has to be a location for the public to attend where there is a speaker component by phone for a board member or public to call in. After board discussion the Board decided on Friday at 1:00. **Mr. Dunn** stated that he will work with Mr. Marano on a place that will meet those requirements and post by Tuesday afternoon for formation of subcommittees. **Ms. Duncan** stated that she will have to call in. **Mr. Dunn** stated that with lack of a transition plan there will be quite a few special meetings to move forward with business as usual especially for the Polar Express. Ms. Duncan did a great job identifying what needs to be done with Polar Express along with talking with Mr. Robinson. Mr. Dunn stated that he would recommend meeting monthly outside of those special meetings and making sure we can use this room to make sure everything is televised and recorded. The last Thursday of every month from 2:00 to 5:00 looks to be open. The next formal meeting would be November 26th with the special meeting on the 20th. Mr. Dunn reported that he will meet the requirements once we do the subcommittees for the Polar Express which will go out for RFP for the maintenance and the setup ASAP. **Ms. Duncan** asked if this had to go out to bid, is there a certain amount of money that requires this. **Mr. Rowe** reported that up to \$50,000 you can just get it done. Up to \$100,000 you get three qualified bids.

Mr. Marano made a motion to set the next meeting that will be a special meeting to cover specific items to the Committee on October 20th at 1:00 p.m. and the next regular meeting of the Commission would be on October 26th also at 1:00 p.m. And then, every final Thursday of the month thereafter for the regular meeting of the Commission at 1:00 p.m. ideally here in this room and to confirm the availability of this room for the 20th.

Second – **Mr. McGuffey**

Approved – Unanimously

14. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – COMMISSIONERS COMMENTS.

Mr. McGuffey thanked everyone who was on the Board prior to October 31st and am glad to see that we have Ms. Duncan, Mr. Robinson, Mr. Dorr and Mr. Rowe here and hopefully will be able to refocus a lot of the energy on the Board. Mr. Dunn stated he wants to thank everyone here today and the ones that attended the SWOT analysis which he will bring back the notes from that date to the subcommittees to discuss. He has been with the Tourism Authority going on five years and has been a member of this community his entire life. The time and effort we all are spending on this is

certainly due to our community. **Mr. Dotson** thanked everyone for their efforts in the past and future. There is a lot he needs to learn about regarding the operations and budgeting. **Mr. Marano** thanked everyone and hopes that the people here are on the call at the meeting next Friday to get in and volunteer. This is a regional product there is no more zip code or county lines. This is one product that we are going to see succeed.

15. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION – PUBLIC COMMENT ON NON-AGENIZED ITEMS:

Mr. Gallagher wondered if there was a certified audit in process for the year ended for 2017. **Mr. Robinson** stated that yes there is it is in process with Steele & Company.

16. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM FOR THE COMMISSION'S ATTENTION - FOR POSSIBLE ACTION- ADJOURNMENT OF COMMISSION BOARD MEETING.

Mr. McGuffey made a motion to adjourn 3:20

Second – **Mr. Marano**

Approved – Unanimously

/lm