

NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY
Thursday May 21, 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 any time. 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 e-mailed 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
Commissioner Ron Allen
Commissioner Delsye Mills
Commissioner Jack McGuffey

ABSENT:

Commissioner John Tyson
Vice-Chairman Bob Crowell
Commissioner Doug Johnson
Candy Duncan, Enterprise Fund

OTHERS:

Kevin Ray, Project Coordinator
Michael S. Rowe, General Counsel
Ken Door, Manhard Consultanting
Bob Robinson, Greater Nevada Business Solutions, LLC

It was noted Washoe County has appointed Vaughn Hartung. 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 Mills 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.*

Chairman called for public comment.

Kim Fegert said he listened to Candy Duncan report on the ridership on the train, the opinions and opportunities presented. Kim said in the past 30 years the Gold Hill Historical Society had been addressing those issues and were getting successful. On the June 18, 2013 when the Storey County Commission terminated their agreement to operate, before the meeting Pat Whitten gave the Commission his recommendations it was indicated he had discussed the issue with Dwight and Tom Gray. Kim insinuated the cancellation of his contract was the fault of the Commission. Kim was interrupted as his time for comment on non agendized items was up. Kim said he felt that any Commissioner who voted to re-elect Dwight as Chairman of the Commission was endorsing his actions. Again Kim was reminded his time was up.

4. FOR POSSIBLE ACTION - APPROVE THE MINUTES OF APRIL 6, 2015

Chairman called for corrections to the minutes of April 6, 2015. Commissioner Mills made the motion to

approve the minutes of April 6, 2015 as presented. Commissioner Allen seconded the motion. Chairman called for discussion on the motion and then the question. The motion to approve the minutes of April 6, 2015 carried and was so ordered.

5. FOR POSSIBLE ACTION – RATIFY PAYMENT OF COMMISSION BILLS

Kevin said the total of the bills to be ratified was \$106,000.45. \$100,000 went to Storey County and the other \$6,000 is our basic bills. Delsye asked why there were four items for NV Energy. And it was explained there were four separate meters, one at Drako, the Bridge, Linehan Road and Eastgate. Chairman called for a motion. Commissioner Mills made the motion to ratify the payment of bills for the Commission. Commissioner McGuffey seconded the motion. Chairman called for discussion on the motion then the question. The motion carried and was so ordered.

6. FOR POSSIBLE ACTION – RATIFY PAYMENT OF ENTERPRISE FUND BILLS

Kevin noted the total of bills to be ratified for the Enterprise Fund was \$46,877.31. In that total is the payment for the train at \$9,300; Smith & Jones is the marketing and Kevin noted a few others. The items listed are in the current budget with the Enterprise Fund. Commissioner Mills made the motion to ratify the payment of bills for the Enterprise Fund. Commissioner McGuffey seconded the motion. Chairman called for discussion on the motion then the question. The motion carried and was so ordered.

7. FOR POSSIBLE ACTION – TREASURER REPORT

Commissioner Allen had Kevin give this report. Kevin said the cash balance at April 6, 2015 with Carson City was \$84,013.00 and there is \$86,000 in the Irwin Account. They have approximately \$170,013.00. They are expecting approximately \$320,000 coming in before the end of this fiscal year. Kevin went over the estimated expenditures for fiscal year 6/30/2015. We will be going into the new fiscal year with about \$424,734.00. Everything noted is based on last year's budget. Dwight wanted to clarify the estimated balance for FYE 2015 was for June 30, 2015. Chairman called for a motion on the report. Commissioner Allen made the motion to accept the Treasurer's Report. Commissioner Hastings seconded the motion. Chairman called for discussion on the motion then the question. The motion carried and was so ordered.

8. POSSIBLE ACTION – PROJECT COORDINATOR REPORT – KEVIN RAY

Kevin said at the last meeting they were going to approve the auditors but the Mayor had a question and it was put off until now and it is back on this agenda. Kevin said he checked with Taxation and they are required to continue having an annual audit.

Kevin checked into the Historical fee being raised by the Enterprise and given to the Commission. It is okay for the Enterprise Fund to give money back to the Commission. It was suggested by Penny that the enterprise set up a restricted account for that money. Kevin said he would get another accounting code with the City for the money from the Historical Fee. After discussion it was decided to keep things the way they are now between the Enterprise Fund and the Commission but getting a separate code to track it.

In reference to the Counties supporting the Commission, it was strongly suggested by Taxation that the Commission follow up with its intent to have Legislation requiring the counties to fund the Commission as originally intended. Taxation also suggested they could ask NCOT along with the counties for marketing cost support.

We ran two trains for Mother's Day, Saturday and Sunday and we had more than half ridership each day. This weekend, Memorial Day, they start their regular season and will run steam strains Saturday and Sundays until mid-October. During the months of July and August they will have the steam trains on Friday also. At the last meeting Commissioner Crowell had asked for a monthly statement of the general fund. When their accountant stopped Kevin took over the accounting working with Ron. The auditors can't really help with the accounting and suggested they get one, which is the next item to be heard. Dwight asked Kevin to start working on the legislation to take before the next Legislature to get the counties to support the commission. Dwight wanted to do a recap of the income of the Commission. Questions were called for. Commissioner Mills asked if they paid a flat fee to Tom Gray to bring the train down. Kevin said they did because that guaranteed they had a car for each day. They work with Tom on the number of cars. Commissioner McGuffey asked about the audit and said the Storey County

Controller would like a copy of the audits from 2010 thru 2014. Kevin said he could get them to him. Nicole Bard asked if the legislation they were talking about was an old legislation that didn't get enforced or a new one altogether. Ron explained they need to go back and amend the old legislation. Steve said it started out as the TRI-County and when it went to the Commission it included the other counties. Counsel Rowe said it was the direction of the Commission on two occasions, that they have made demands and requested contribution from all participating counties and Carson and Storey are the only one who had come up with money. After discussion Chairman asked that it be put on the agenda for discussion at the next meeting.

9. POSSIBLE ACTION – DISCUSSION AND POSSIBLE ACTION ON COMMISSION ACCOUNTING CONTRACT WITH BOB ROBINSON/GREATER NEVADA BUSINESS SOLUTIONS, LLC. FOR 2015-2017

Kevin said this was at Commissioner Crowell's request that they needed an accountant. He explained the reasons for having an accountant. The date of the contract was discussed and Dwight said he would like it to be in effect June 1, 2015 through June 31, 2017. Under the fees and payment Dwight suggested it be for \$75 per hour to be paid monthly, not to exceed \$750 a month unless expressed differently by authorization of the Chairman or Treasurer. Chairman called for discussion, there being none the Chairman called for a motion. Commissioner McGuffey made a motion to accept the Commission Accounting Contract with Bob Robinson/Greater Nevada Business Solutions, LLC. for 2015 through 2017 with the changes in the date and fees. Commissioner Allen seconded the motion. Chairman called for public discussion with none stated, Chairman called the question and the motion carried and was so ordered.

10. FOR POSSIBLE ACTION – PUBLIC HEARING – ACTION TO ADOPT THE COMMISSION'S FINAL BUDGET FOR FYE 2016 – RON ALLEN

Ron turned this over to Kevin. Taxation did approve the budget. The front page is the proof of publication. Page 1 is the two main numbers, the governmental fund which is the general fund has expenditures of \$528,260. The proprietary fund which is the enterprise fund has expenditures of \$1,168,210. Pages 4 & 5 is what the general fund is expected to be. The beginning balance is \$336,376 with revenues of \$376,770 which gives a total of \$713,146 in the budget for next year. The next page shows a transfer out of \$150,000 to the enterprise fund. Page 6 shows the operating revenue of the enterprise fund as being \$1,105,500, the operating expenses as (\$1,168,210) and the non-operating revenues (grants) as \$16,000. It shows the transfer in of \$150,000 from the Commission leaving a net income of \$103,290. Page 7 is a more detailed list of revenues and page 8 is expenditures. On the expenditures you see \$60,000 which is the payment for Engine 18 and the \$1,260 interest. After September and the payment of \$61,260 Engine 18 is the Commission's. Kevin read a few more numbers saying the numbers match up from page to page. Page 10 is the projected budget figures for the Enterprise Fund for year ending 6/30/2016. A list of contracts was listed on page 15. After the report, Chairman said this was the budget that will be approved today. He called for discussion and public comment. Nicole asked if the Commission had the money if Storey County should close the deal on the Freight Depot. Kevin said the contingency was they would stop running. This was discussed in detail.

Commissioner Allen made the motion to adopt the Budget for 2015-2016 as presented with documentation and the approval of Taxation. Commissioner Mills seconded the motion. Chairman called for discussion on the motion with none stated he called the question and the motion carried and was so ordered.

11. POSSIBLE ACTION – ELECTION OF COMMISSION OFFICERS – CHAIRMAN, VICE-CHAIRMAN, SECRETARY/TREASURER – FOR A TWO YEAR PERIOD WHICH BEGINS 7/1/2015 AND ENDS 6/30/2017

Chairman opened the floor to accept nomination for Secretary/Treasurer. Commissioner Allen said he was willing to continue in that position. Commissioner Mills nominated Ron Allen for Secretary/Treasurer. With no other nominations, Commissioner Mills made the motion to close nominations for Secretary/Treasurer. Commissioner Hastings seconded the motion. Chairman asked for discussion on the nomination and then called the question to close nominations and the motion carried. Chairman then called the question to elect Commissioner Allen as Secretary/Treasurer. The

motion carried was so ordered. Commissioner Allen was re-elected to be Secretary/Treasurer.

The floor was opened for nominations for Vice-Chairman. Commissioner Allen nominated Commissioner McGuffey for Vice-Chairman. With no other nominations, Commissioner Mills made the motion to close nominations for Vice-Chairman. Commissioner Allen seconded the motion. Discussion was called for on the nomination and there were none. Chairman then called the question to elect Commissioner McGuffey as Vice-Chairman. The motion carried, and was so ordered. Commissioner McGuffey was re-elected to be Vice-Chairman.

The floor was then opened for nomination for Chairman. Commissioner Allen nominated Chairman Millard as Chairman. With no other nominations, Commissioner Mills made the motion to close nominations for Chairman. Commissioner Allen seconded the motion. Discussion was called for on the nomination. Kim Fegert said he thought there was a conflict of interest and Kim accused Dwight of doing everything in his power to discourage him and his group from participating in the project. Kim said he couldn't find any evidence that Dwight was impartial and anybody who votes for Dwight being Chairman is just endorsing what he does. Kim said there was no reason for the Gold Hill Historical Society being taken off the board. Chairman thanked Kim for his comments. With no other comments, Chairman then called the question to elect Chairman Millard as Chairman. The motion carried was so ordered. Chairman Millard retained his position as Chairman. Chairman Millard replied to Kim's remarks by saying when he took the position of Chairman he made three trips to the Gold Hill Historical Society to reach out to them and involve them in the project and they let him know they were independent and they would do their thing and we could do ours. Kim rebutted Dwight's remarks saying his memory is vague. Kevin said he had been coordinator for over 12 years and his memory is good and for the record it was Kevin's opinion that it was not the Commission who had problems with Gold Hill and wanted them out but it was Kim's comments regarding Tom Gray as the train operator that lead Storey County to realize they couldn't work with everybody.

12. FOR POSSIBLE ACTION – ATTORNEY'S REPORT – MICHAEL ROWE

Mike said he had a couple of items that may need action. First the license plate fees, he got a call from DMV in regards to the statute that defines the license plate fees for the railroad. There were questions as to where the fees were being paid. Legislative Counsel said the fees could be paid directly to the Commission or Carson City which they have been to Carson City and they distribute them until the creation of the Enterprise Fund. Bottom line is, the statute say you can use license plate fees for maintenance, reconstruction, improvement or promotion. The Legislative Council wants to see an inter-local agreement between Carson City Treasurer & the Commission saying the money can be paid to the treasurer and the treasurer will pay the fund to the Commission for maintenance, reconstruction, improvement or promotion. There should be two people named as contacts which should be possibly Mike and Kevin. We have \$14,545 sitting at DMV waiting to be dispersed. Carson City Treasurer has agreed. Mike will write up the agreement as per statute. He asked the Commission to authorize the creation of the inter-local agreement and for the Chairman to sign it so they could get those funds released. Commissioner Allen made the motion to authorize Mike to create the inter-local agreement with Carson City to handle the license plate fees for the Commission and for the Chairman to sign it. Commissioner McGuffey seconded the motion. Chairman then called for discussion on the motion, with none stated he called the question and the motion carried and was so ordered.

Mike continued with good news regarding litigation with RHB has been resolved. In his firm's trust account they have maintained \$628.50 separate billing file under RHB which hasn't had any entries in a long time. Somehow through an overpayment or something, a bill got paid twice, and in the trust account sub file 156 there is an additional \$750.00. There is a total of \$1,378.58 just sitting there. Mike suggested he just cut a check in that amount to the Commission in the next day or so.

Mike has been coordinating with Ken on the possibility of surplus material which Ken commented on. Mike said they got the formal easement from BLM for the right of way grant for Eastgate. It has been signed and they are in receipt of it. Ken said Carson City has their land transfer completed. Ken said he wanted the Commission to know Gabe has been doing repair work at the Overman Pit embankment. Ken discussed the work in detail. Questions were called for.

13. FOR POSSIBLE ACTION – DISCUSSION AND POSSIBLE ACTION ON THE SALE OF THE COMMISSION OWNED REAL PROPERTY AND IMPROVEMENTS LOCATED AT 6343 US HWY 50 EAST (DRAKO WAY PROPERTY)

Chairman said the offer they had on the property has gone away for now. The people were interested in it for a grow facility. They still have it for sale at no less than \$735,000.

14. POSSIBLE ACTION – DISCUSSION ON CONTRACT WITH EIDE BAILLEY TO PERFORM 2014/2015 AUDIT

Kevin said they checked and they still need to have an audit. Commissioner Allen made the motion to approve the contract with Eide Bailley to perform the 2014/2015 audit per their agreement. Commissioner McGuffey seconded the motion. Chairman then called for further discussion, with none stated he called the question and the motion carried and was so ordered.

15. FOR POSSIBLE ACTION – DISCUSSION TO REIMBURSE GABE WILLAMAN FOR EQUIPMENT MISSING FROM DRAKO BUILDING INCLUDING A DWALT 7” ANGLE GRINDER - \$380, AND VICTOR MEDIUM DUTY PORTABLE TORCH - \$489; TOTAL REIMBURSEMENT REQUEST IN THE AMOUNT OF \$869.

Ken Dorr reported on Willaman’s request for reimbursement for missing equipment from Drako but said there was no obligation on the Commission to do so. Ron asked where they could have gone since the building was locked. Chairman said there were a lot of keys floating around. After discussion Chairman called for a motion to include which fund the reimbursement would come from. Some Commissioners were not comfortable with the request and no motion was made. The issue died from lack of a motion to grant the request of Gabe Willaman.

16. VIRGINIA & TRUCKEE RAILROAD REPORT – THOMAS GRAY

There was no report from the Virginia & Truckee Railroad as Tom Gray was not present.

17. COMMISSION CHAIRMAN COMMENTS – DWIGHT MILLARD

Chairman wanted to comment on the dirt and told Kevin in regards to the Department of Taxation we are still in a building mode not just operation. There is 60,000 yards of dirt valued at approximately \$7.00 a yard. Dwight asked if he made a donation where does it go. Kevin said it goes to the Commission. Kevin discussed the way it appears when buying tickets. There is a link that one can click on to make a donation in addition to buying a ticket. Dwight asked if that was noted under Historical donations. It is noted that the donations go to the repairs of the engine. They have put an amount of \$20 or more and they are getting more \$20 donations.

18. COMMISSIONER COMMENTS

There were no Commissioner comments.

19. FOR POSSIBLE ACTION - NEXT COMMISSION MEETING

Kevin said the next meeting date for the Commission for the Reconstruction of the V&T Railway would be sometime in September and he will coordinate the date and time and let everyone know.

20. 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.

Chairman called for public comment.

Kim Fegert refuted Dwight’s going to the Depot or negotiations. Kim still felt they were discouraged to participate in the project. Kim said that Tom had been bullying them and the Commission wasn’t to make impartial decisions because of arm twisting.

21. FOR POSSIBLE ACTION: ADJOURNMENT

Chairman called for a motion to adjourn. Commissioner Allen made that motion and Commissioner Mills seconded it. The meeting adjourned at 4:50pm

Respectfully Submitted By:

Brenda Frank
Manpower, Inc.