

Minutes
BOARD OF MUSEUMS AND HISTORY
June 19, 2015

Location
University of Nevada
Mathewson – IGT Knowledge Center
Room KC 110
1164 N. Virginia Street
Reno, NV 89503

With a video link to *
Nevada Department of Environmental Protection
Red Rock Conference Room
Suite 230
2030 E. Flamingo Road
Las Vegas, NV 89119

BOARD MEMBERS PRESENT

Robert Stoldal, Chairman
Bryan Allison
Alicia Barber
Sarah Cowie
Renee Diamond
Doris Dwyer
Daniel Markoff
Robert Ostrovsky
Janice Pine
Seth Schorr

BOARD MEMBERS EXCUSED

Pete Dubé

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES STAFF PRESENT

Claudia Vecchio, Director, Department of Tourism and Cultural Affairs
Felicia Archer, Public Information Officer, Department of Tourism and Cultural Affairs
Peter Barton, Administrator, Division of Museums and History
Henna Rasul, Senior Deputy Attorney General, Attorney General's Office
Greg Corbin, Director, Nevada State Railroad Museum, Carson City
Jim Barmore, Director, Nevada State Museum, Carson City
Dennis McBride, Director, Nevada State Museum, Las Vegas *
Sheryln Hayes-Zorn, Acting Director, Nevada Historical Society
Karyn deDufour, Deputy State Historic Preservation Officer, State Historic Preservation Office
Jim Bertolini, Historic Preservation Specialist II, State Historic Preservation Office
Carrie Edlefsen, Administrative Services Officer II, Division of Museums and History
Lauri Brown, Administrative Assistant IV, Division of Museums and History

GUESTS IN ATTENDANCE

Michael Bertrand, Bertrand & Associates, LLC
Kathy Flanagan, Las Vegas Valley Water District/Springs Preserve
Robert Chattel, La Concha Motel, Clark County, Las Vegas

Maurice White, Board Member, Nevada State Prison Preservation Society
Brian Hutchins, Counsel, Nevada State Prison Preservation Society
Glen Whorton, President, Nevada State Prison Preservation Society
Tom Porada, Vice President, Nevada State Prison Preservation Society
Ricki Barlow, Las Vegas City Councilman
Joseph Mitchell, Branch No. 1, Las Vegas Grammar School (Amendment), Clark County, Las Vegas
Heidi Swank, Director, Nevada Preservation Foundation
Courtney Mooney, Historic Preservation Officer, City of Las Vegas
Danielle Kelly, Executive Director, Neon Museum
Maggie Zakri, Collection and Archive Specialist, Neon Museum

Stoldal: I'd like to call to order the Board of Museums and History for the State of Nevada for Friday, June the 19th, 2015. I'd like to confirm that the meeting was properly posted.

Brown: It was posted properly.

Stoldal: As a note, we are meeting in the University of Nevada, Mathewson - IGT Knowledge Center in Reno, Nevada. We have a video link with the Nevada Department of Environmental Protection in Las Vegas. We have confirmed that that site is up and operating and the sites are open and accessible to the public. I will take a chairman's prerogative and just say thank you to the University of Nevada and the staff who has been very helpful, as well as the folks at the Department of Environmental Protection Las Vegas for setting this up. Thank you very much for that. Please call the roll.

Brown: Robert Stoldal?

Stoldal: Here.

Brown: Bryan Allison?

Allison: Here.

Brown: Alicia Barber?

Barber: Here.

Brown: Sarah Cowie?

Cowie: Here.

Brown: Renee Diamond?

Diamond: Here.

Brown: Pete Dubé? No. Doris Dwyer?

Dwyer: Here.

Stoldal: Pete Dubé has an excused absence.

Brown: Very good. Daniel Markoff?

Markoff: Here.

Brown: Robert Ostrovsky?

Ostrovsky: Here.

Brown: Janice Pine? Not yet. And Seth Schorr?

Schorr: Here.

Stoldal: Do we have a quorum?

Brown: We have a quorum.

Stoldal: Again, I'd like to take the chairman's prerogative to introduce our two newest members appointed by Governor Sandoval. The first is Bryan Allison, a marketing consultant. He's appointed to the term expiring on June 30, 2017. Mr. Allison fills the seat vacated by Kara Kelley when she was appointed by the Governor to the Colorado River Commission earlier this year. Also, Seth Schorr, who is CEO of Fifth Street Gaming at Downtown Grand Hotel. He's been appointed to serve the term expiring June 30, 2018. He fills the seat previously occupied by Bill Watson of Incline Village. Both of these positions are for the general public slot.

Gentlemen, welcome. Bryan, I know you're from Las Vegas, but your roots seem to be just not too far from here.

Allison: Yes. So I grew up in Carson City. My parents still live there, and went to Carson High, went to UNR. I primarily worked for the newspapers. I attended journalism school up here, and I worked for the Sparks Tribune, a newspaper in Northern Nevada -- or excuse me, Northern Idaho, moved down to Las Vegas and worked for the Las Vegas Sun for about a year, then I moved back to Sparks and that's when I had the Idaho job. Then I went back to Las Vegas, and I've been there for more than 21 years. I spent most of my time working for Vegas.com and I helped start that in 1996, and spent more of my career doing that. But I also oversaw the Greenspun Media Group, which is a number of magazines and newspapers, for a few years. I left Greenspun about a year ago and as Bob mentioned, I'm doing consulting now.

I'd say my interest in Nevada history started with my dad. He grew up in a place called Kimberly, which I remember as a kid he took us out to look at and it's now a hole in the ground. It's outside of Ruth, which is outside of McGill, which is outside of Ely. So all

suburbs of suburbs, right. So I always really had a great, great appreciation for the history of the state and I'm one of those weird people who actually enjoy driving from Las Vegas to Reno, if I had the time, and...

Female: On Energy Highway?

Allison: Pardon?

Female: On Energy Highway?

Allison: That's right. That's right. And I'd say my most prized possession is a very dog-eared, but signed copy of Bob Laxalt's "Sweet Promised Land."

Stoldal: Seth, welcome.

Schorr: Okay. Thank you for having me. I'm Seth Schorr. When you live in Southern Nevada for 32+ years and you've lived other places, people think you're from Nevada. But now sitting next to Bryan, I realize I'm not a true Nevadan, and now I've met one. Las Vegas has been my home for over 30 years. When I moved to Las Vegas, I was six years old and went to a new school, and the school really did a great job instilling a sense of state pride and not just city pride in me and probably the rest of my classmates. And I've always had a great sense of pride for Nevada, as I've lived in other countries and cities around the world.

I've always had a great passion for history. I was a history major at the University of Pennsylvania, happened to have a focus on China, so a little bit outside of our state. But I'd love to narrow my focus to my home. I think that there's such an amazing opportunity to understand and appreciate the history that we have as Nevadans. I feel, at this point in my career, an obligation and a duty to serve the state in some way and help utilize some of the skill sets that I've cultivated as a business person and as a person that likes to create things for other people. Had an opportunity in my career to create stuff, whether that's actually small museum collections, restaurants, hotels, casinos. And I enjoy that, both from a guest perspective, creating something that didn't exist, and also from an economic perspective, creating jobs and just creating stuff; something that didn't exist yesterday exists tomorrow. And if I could play a small part in that it makes me feel useful. So glad to be here. Thank you.

Stoldal: We look forward to your expertise, certainly in one of the areas of our museum store. Please let the record show that Janice Pine is now here and that we do have a full quorum. With the announcement that we have two new members, I am going to take another chairman prerogative and say we're all sad that we are going to be losing a long-time member, Janice Pine. Janice, welcome and...

Pine: Thank you.

Pine: Yes. I'm very sorry. Perhaps I'll just say I'm sorry and I will be leaving as soon as they find a replacement for me. My term is up at the end of this month, anyway. And my husband's medical condition just makes it impossible for me to continue and be effective. No point in hanging around if you're not going to do the job well. So anyway, it makes me very sad, but it's always good to have new people, new ideas, and new thoughts. So somebody else is going to have to take over with all that budget stuff. But I've appreciated every single minute of my friendships and what I've learned and it's been a good ride, but I just can't devote the time I need to.

Stoldal: Well, we're not going to let you go too easy, because you'll be working until you're replaced.

Pine: That's right. That's right.

Barton: Yes, thank you, Mr. Chairman. And for the record, Peter Barton, and I have to insist that you please, please identify yourself when you're speaking. This meeting is being audio and video recorded, compliments of the university, and we are also backing it up with an audio recording. And, Janice, thank you. 23 years of service with distinction to this Board. I'm just looking at your appointment date of January 29, 1992.

Barton: ...and wonderful relationship. And thank you for your service to the museums. I'd also, just while we're doing introductions, like to introduce -- we have Senior Deputy Attorney General Henna Rasul with us today substituting for Sarah Bradley. So welcome to you, as well. In terms of the Board, we do have five members whose terms are up next week, I guess, the 30th. Dr. Barber, Renee Diamond, Pete Dubé, Dan Markoff, and Janice's term are over. And I did speak with the Governor's Board and Commission folks last week and the Governor was going to meet this week on deciding appointments and reappointments. So we expect that news to come forward pretty soon. Thank you.

Stoldal: Thank you. Let's go to Item 3 which is Public Comment. Public comment is welcomed by the Board. A period of public comment will be allowed after discussion of each action item on the Agenda, but before voting on the item. Because of time consideration, the period for public comment by each speaker may be limited three minutes at the discretion of the Chair, and speakers are urged to avoid repetition or comments made by previous speakers. If you look at the Agenda, action may be taken on those items that are listed as action. Items on this Agenda may be taken in a different order than listed. Two or more items may be combined for consideration, and an item may be removed from this Agenda or discussion related to an item on the Agenda that may be delayed for some time.

We are looking at trying to get 9:30 as a time for SHPO's report on the nominations for State Register of Historic Places. Are there any comments at this point from the general public either in Las Vegas or here in Reno? Seeing and hearing none, we'll go to Item No. 4, Acceptance of the Minutes, April the 8th, 2015, our general meeting there. I look for a motion.

Ostrovsky: So moved.

Stoldal: Okay. Do we have a second?

Ostrovsky: **Bob Ostrovsky on the motion.**

Pine: **I'll second.**

Stoldal: Janice?

Pine: But I would like Item No. 2 -- or No. 3, I'm sorry. It says, "The Board approved the meeting minutes," and I really think it was "accepted the minutes."

Stoldal: That's correct. We accepted the minutes.

Barber: **Bob, this is Alicia Barber. Under Item 10, did the bill refine historic or redefine historic?**

Barton: **It should be redefine.**

Barber: Okay.

Stoldal: So that's Item 10, so those are two corrections. Any other comments or changes? The person that made the motion and the second, will you accept those changes in the motion?

Ostrovsky: I will, sir.

Pine: Yes.

Ostrovsky: **This is Bob Ostrovsky, for the record.**

Pine: **Janice Pine. Yes, for the record.**

Stoldal: Comments from the general public in Las Vegas? General public here? Hearing none, all those in favor say aye.

Group: **Aye.**

Stoldal: Those opposed? **The motion carries on Item 4-A.** Item 4-B, May 19, 2015 Finance Committee Meeting. Look for a motion.

Ostrovsky: **As chair, this is Bob Ostrovsky, I would move for acceptance of those minutes.**

Markoff: **Second.**

Stoldal: We have a second from?

Markoff: Dan Markoff.

Stoldal: Okay. Comments, changes? General public in Las Vegas? General public in Reno? Hearing and seeing none, all those in favor of Item 4-B, signify by saying aye.

Group: **Aye.**

Stoldal: **Those opposed? Motion carries unanimously.**

Female: Thanks for all your work on that, to the committee.

Barton: Does the format work well for you now where we provide you an edited transcript and then this -- I'm almost reluctant to ask that question, but does that seem to be working for everybody? Okay. Very good.

SB 70 which passed and signed by the Governor in late May makes additional changes to the Opening Meeting Law. One of the significant changes to the Open Meeting Law is that boards and commissions must now approve minutes within 45 days or at their next schedule meeting, whichever is later. So we have not, in the past, practiced not approving minutes regularly at the next meeting, but that's now part of the law, so...

Stoldal: Is the word "approved" or "accepted"?

Barton: I believe the word is "approved," but...

Rasul: Typically, it's "approved."

Stoldal: Okay. Okay. So did we just approve or accept these minutes? What was the motion?

Pine: That we accept it.

Female: Does that go into effect July 1st.

Barton: No, at passage and signature.

Stoldal: So just a minor point, should we be using the verbiage "approved"?

Rasul: That's more standard.

Stoldal: Okay.

Rasul: I mean acceptance. I mean it's you're accepting it, you're approving it. It has the same effect...

Stoldal: Okay.

Rasul: ...but from my experience and like my 25 boards, "approval" is typically what is used, so...

Stoldal: Okay. We've already taken care of this, so since they have the same general legal meaning, it appears that from this point on we should use the word "approved." Thank you.

Pine: Question.

Stoldal: Yes.

Pine: How legally binding is approved?

Stoldal: You're asking in considerations where we're only accepting the summary and we're not...

Pine: Correct.

Stoldal: ...approving the full minutes.

Pine: Okay.

Pine: Yeah, I mean I just want to make sure we're not approving that transcript if none of us are ever going to read it.

Stoldal: Well, some of us may at midnight, but...

Pine: Okay. Most of us probably won't be reading it.

Stoldal: But the challenge in reading it is there's lots of mistakes, but they're small mistakes. They're who said something or the verbiage is not right or there's lots of spelling mistakes.

Diamond: So maybe we ought to just briefly explain that there is changes in the way minutes were provided to the Board. We've always had these synthesized minutes that a staff person spent many hours doing for us. But about, what -- how long?

Barton: A year ago.

Diamond: A year ago, the legislative process changed and we were given verbatim minutes. So when I have a tendency to say "uh, uh, uh," it shows up on these minutes, which makes them hundreds of pages long, it seems, and they don't read easily. So we asked the staff to give us a synthesized version again, so now that's why we're a little confused as to what we're approving. Are we approving the verbatim minutes?

Rasul: It's whatever is going to be provided to the public. Minutes do not have to be transcribed. They can be. Boards vary. Some boards want every word, but you don't have to have every word in the official minutes that are going to be approved. They can be a summary, just so that the public has a gist of what has been discussed at the meetings, because then you have that recording, too, which if they wanted details regarding the meeting they could just request a copy of the recording...

Stoldal: Okay.

Rasul: ...or a video recording.

Stoldal: Okay.

Rasul: So basically what you're accepting or you're approving is what is going to be, by law, provided to the public when or if they request a copy of the minutes.

Stoldal: Okay. That's clear for me, I mean that's pretty straightforward. Great.

Diamond: So this is Renee Diamond again. It is straightforward, except it's not user-friendly. As somebody who's been on this Board since the 1980s...

Stoldal: Right.

Diamond: ...and is getting past my prime in terms of memory, I would like to say, but still can remember the intent of why we bought a collection. When the minutes are verbatim those discussion get lost, because sitting through the tapes and the voluminous transcription of them is going to be a burden in the future to future boards or to new members. If you wanted to know what we did in the 1980s, why a certain piece of equipment is sitting at the Railroad Museum, it's easy to find if we have a synthesis. It's no longer easy. So both as a citizen of the state and Board member, I just felt like I had to say it.

Rasul: And there's no requirement that it has to be verbatim for a transcript. I mean if that's something that the Board chooses to have, you can also have a court reporter, but that costs money and that's verbatim. But then from the transcripts, then minutes are created. So basically what it comes down to is that you can have your video recordings. By law, you're not required to keep them forever. So at some point if you're summarizing everything into minutes, that's it, that's all you have and you don't have anything else in writing, then that will be what will remain in perpetuity. But the recordings, I believe, they're supposed to be kept for five years or (inaudible)...

Barton: Yes, five.

Diamond: Renee Diamond. And that's the problem. As somebody who deals with history, five years isn't history. And remembering why we did something is often helpful when we're going to be doing something current. And it just seems all convoluted to me, but I won't belabor the point (inaudible).

Stoldal: It's a discussion (inaudible). This is an open meeting and we want to make it as accessible and as friendly as we can. All right. Well, I think we've got to this point where at least we are following the legal part of the law and making an effort to follow the spirit of the law, as well. So Dan Markoff.

Markoff: How are we paying for these transcripts?

Edlefsen: Carrie Edlefsen for the record. We hire a transcriptionist to (inaudible).

Markoff: No, I know. Who's paying for it? (Inaudible) the budget...

Edlefsen: The Board is paying for it.

Markoff: All right.

Edlefsen: The Board pays.

Markoff: What is it costing for a transcription for each meeting?

Edlefsen: Approximately \$300 each (inaudible). It's charged a dollar something per page.

Stoldal: All right. Thank you. For the sake of -- it's now about 9:17, I'd like to move Item 11, Admission Charges Yearly Review Per NRS 381.0045 (For Possible Action). It's an Agenda item and you'll see -- Peter, I'm going to ask you to walk us through this. There are not a lot of changes. I think there's only one or two, if I read this correctly.

Barton: Thank you, Mr. Chairman. For the record, Peter Barton. Yeah, this is part of the annual review that's required under our governing statute for the Board to look at admission fees, train ride fees for the division and set them to do it at the June meeting so that it just makes sense to do that for the transition of fiscal years that occurs on July 1st.

On the topside of this chart, you can see what we've approved in '15, what we propose in '16. There are no changes proposed for the core admission rates to museums in FY 16, and the state budget was built accordingly. There are two notes, because at East Ely we have a joint interlocal agreement with the White Pine Heritage Railroad Foundation, where they collect admission revenue and then in the contract we get a share of it, the revenue, and provides for some additional shared services. That similar situation, of course, is in effect at the Nevada State Museum in Las Vegas, where we have an interlocal agreement with the Las Vegas Valley Water District and shared resources and revenue there, as well. That's explained in the notes.

Below that are the proposed free admission days. And if there are any questions, and this is pretty much straightforward, I think, and it is consistent with the practices that we've followed and find that seem to work pretty well for the Division of Museums. There's some participation, as you can see, in International Museum Day, though that seems to be drifting away in terms of a priority for our customers. Smithsonian Day, that does get some activity from members of the Smithsonian who get their magazine and can download, print, or bring in a coupon from the magazine and get free admission at the museums noted. Nevada Day is a big deal, of course, and we do offer free admission on the Friday, the state's recognized holiday for Nevada Day. And there is an exception to that where it'd be two museums in Carson City on account of the parade that generally follows the Saturday after the state

holiday. The two Carson City museums extend that free service to that day. At the Railroad Museum, we don't extend free train rides. It's admission to the museum that's free. If you want to ride the train, you pay. That's about what I have.

Stoldal: All right. Do we need a...

Ostrovsky: I have a question.

Stoldal: Go ahead, Bob.

Ostrovsky: Yeah, this is Bob Ostrovsky. Peter, can you remind me when is the last time we increased any of these fees?

Barton: Actually, I think it was last year from 14 to 15, we made some adjustments at the Historical Society. Before that, I believe it was March 2010 at a special meeting, when we were in the midst of the fiscal crisis and had to make some changes that we did adjust. I know the Nevada State Museum at that time went from \$6 to \$8, and we adjusted the Railroad Museum actually in 2012, when we brought the new exhibit program online so the visitor experience expanded. We increased the rate there.

Ostrovsky: For the record, Bob Ostrovsky. It's just for my own satisfaction to know that we're keeping up. I mean, are these rates competitive or are we getting resistance? Could we be charging a little bit more? The individual institution is going to have to tell me -- what I'd hate to have happen is to go five years down the road and say, gee, we should have increased a little bit each year and then face having to raise rates from \$8 to \$10. I'm...

Barton: For the record, Peter Barton.

Barton: We do poll the museum directors each year in advance of putting this together. From my perspective, we're competitive. We're not getting market resistance. Does that mean we couldn't charge \$10 at the Nevada State Museum? Yeah, we probably could. The old rule of thumb in museums was that you reflect on, obviously, the depth of the visitor experience and the average length of time that it takes someone to experience it. And that if it's an hour-and-a-half experience, people will spend \$5 or \$6 an hour, generally, for the experience, unless it's highly interactive. And if you're Disney, you can get a lot more, obviously.

Barton: But most of our museums don't compete in that arena. I think we do look at it every year critically and we'll make adjustments, certainly, as needed and as the programs warrant that change.

Ostrovsky: Okay.

Stoldal: Greg Corbin, you work both in the Boulder City facility and here in Carson City. It's my understanding that there was some, years ago, pushback from the directors as far as when we were going to raise the price in Boulder City. Some hesitancy. It was like \$3 and I think we raised it to \$4 or \$5. And has there been any negative feedback on the -- Greg?

Corbin: For the record, Greg Corbin. None whatsoever. No. And, of course, coming from the north before going south, there was always more of a conservative approach up here in the northern part of the state and some resistance to increase fees. But the attitude in the southern part of the state, when I relocated down there to take on that project and looking at our price structure that we had there and in comparison to other types of attractions, we were giving it away. And that was a bold step to take the train fare from, I think, \$6 and we raised it up to \$10 on an adult fare, it's had no impact whatsoever. So it fell in line. I mean, for those of us that live in Southern Nevada, and knowing what the cost of just say riding the rollercoaster at the New York New York, a train ride at \$10 is still an inexpensive attraction. And if you take advantage of the online coupon offer, or one of the promotional coupons, I mean you can get anywhere from \$1 to \$2 off on your adult fare. So there's been no issue there at all.

Stoldal: Thank you.

Schorr: Seth Schorr for the record. I think it's important to note that in addition to the value that somebody gets, I think that \$5 per hour and a half analogy is a good one. For the Railroad Museum, if our base audience is in Las Vegas, I think we have to take into effect that it's quite a drive. And you have other museums, whether it's the Mob Museum or the Natural History Museum, at Springs Preserve, that are much more convenient. And for a family to make that decision to drive an extra 45 minutes, I think you really have to give extra value compared to the other museums within the city.

Stoldal: So further questions?

Schorr: No, that's fine.

Stoldal: Okay. We need a motion to approve as it stands?

Markoff: Just one quick question.

Stoldal: Who is this speaking?

Markoff: On the museums, I didn't see the Nevada State or the museum in Boulder City listed.

Stoldal: Who's speaking?

Markoff: Dan Markoff.

Stoldal: Thank you.

Ostrovsky: No entrance fee.

Pine: Yeah, it's right there.

Ostrovsky: Where?

Barton: They don't have an admission charge, Dan, so they wouldn't be listed in the admission charge...

Markoff: So it's just an admission charge?

Barton: We're dealing with admission charges, we're going to deal with train rides next.

Markoff: Okay.

Stoldal: Renee Diamond.

Diamond: Mr. Chairman, Renee Diamond for the record. Just a point of discussion. Could we ask that Lost City review their admission fees for next year? I don't think we need to stand in the way now to do it, but \$5 seems to me -- I mean, you can't do a senior movie on Wednesdays at a Station Casino. Well, I guess you can. So I think that we need to ask them to take a look at that.

Stoldal: Sure.

Diamond: That's been \$5 for so long.

Stoldal: We still look for a motion.

Dwyer: I'll make a motion to accept the proposed admission fees for the next year.

Barber: I'll second that. Alicia Barber.

Stoldal: Okay. We have a motion and a second. Discussion, comments from the general public in Las Vegas?

Female: Bob, do you want to state for the record who made the first motion?

Dwyer: Doris Dwyer, make the motion. Sorry.

Stoldal: Comments in Reno? Hearing none, seeing none, all those in favor say aye.

Group: Aye.

Stoldal: Those opposed? Motion carries. It is now 9:36. Let us move back to Item No. 6, Nominations to the National and State Registers of Historic Places. We have two items. The first is State Register of Historic Places. We have La Concha Motel lobby in Clark County, Nevada. We'll take that first. Let's go to -- staff at SHPO are going to speak to that item?

Bertolini: Yes. Jim Bertolini, State Preservation Office and National Register Coordinator, for the record. So first on your Agenda is a nomination to the Nevada State Register.

Stoldal: Jim, can you -- in Las Vegas, are you able to hear adequately?

Male: Yes.

Stoldal: Thank you.

Male: Can you hear us?

Ostrovsky: Yes.

Bertolini: All right. So again, first on your Agenda for our items is the La Concha Motel lobby. This is a thin-shell concrete building on Las Vegas Boulevard in Las Vegas. It was built in 1961, designed by Paul Revere Williams, who is a fairly renowned architect from the west coast. Most of his work is in Los Angeles, but completed plenty of work in Reno, as well as in Las Vegas. This is being nominated under Criterion C for its architecture. Not only for its association with Paul Williams, but also for its preservation of that technique of thin-shell parabolic construction.

This was built as part of a larger hotel on South Las Vegas Boulevard, actually, outside the city of Las Vegas in 1961. And in 2004, most of the hotel as demolished, but because of the architectural importance of the lobby, that was saved and was moved to its current location as the Visitors Center for the Neon Museum in 2007. So I won't rehash the information in depth that was in your nomination, but I can go ahead and accept questions. And I do understand there are some folks who might want to speak for the record from Las Vegas.

Stoldal: Questions first from the Commission. Anybody have a question from the Board? Alicia.

Barber: Yeah, Alicia Barber. I just want to applaud you on this nomination. I thought it was terrific. I thought it was so thorough the way it went through the development of Google architecture and the kind of construction, and the significance of the context. I just thought it was excellent. Is it standard when recognizing the significance for an architect to just have that period of significance be the year that it was constructed?

Bertolini: Yes. Jim Bertolini for the record.

Barber: Okay.

Bertolini: Typically, under Criterion C for the National Register, the year of construction is the period of significance. And for now we use that same model for the state register. We are reviewing the state register guidelines and I think that will be coming to the Board hopefully later this year. I think that will carry over that practice of using the year of construction for architecturally significant resources will remain. That is common practice.

Barber: All right. I just have one more question. So clearly it's lost integrity of context if go into that at the very end of the nomination. So can you just explain to us a little bit how -- I know we're going to get that guidelines for the state register, but how that differs from what National Register would accept as far as integrity is concerned?

Bertolini: Yes. Jim Bertolini for the record. For the National Register, properties that have been moved from their original location have to meet an extra -- what's called criteria consideration. And there is a list of several of them. That's where the properties that are less than 50 can still be listed in the register if they meet certain requirements. That's how we deal with religious properties, cemeteries, commemorative properties, things like that. Moved properties is one of those. That's Criteria Consideration B. Usually, what the National Register looks for is that the new location for the resource is similar, as close to matching as possible as the original location, so that it can still convey that story. And a big part of that is integrity of association. That's where that ability to tell the story comes from. And when you relocate a building, you lose a lot of that ability, because buildings are not just constructed on their own, they're constructed in a larger built environment. And that's one of the reasons the National Register and our state register shies away from listing moved properties. I think our state register tries to be more flexible just because we have so many moved properties here in Nevada.

We had a discussion with our staff as to whether this property could be National Register eligible. And where we believed it fell short under Criteria Consideration B was that portions of moved properties are not eligible. And because of the demolition of the rest of the hotel, that is our determination that this likely is not eligible for the National Register. We probably won't move it forward at that level.

Barber: Thank you so much.

Stoldal: Questions from the Commission? Doris Dwyer.

Dwyer: Doris Dwyer here. I have a similar question. What about the fact that it serves a different function than its original function? How does that affect? It's not a motel lobby anymore, it's a museum. So under the state register guidelines, does that affect anything?

Bertolini: Sure. Jim Bertolini for the record. Under our state register guidelines, which are extremely brief, that's part of the reason we're drafting really a set of guidelines, it doesn't really speak to that. We've typically used the National Register guidelines in lieu of anything for the state. And as far as change in function, that's not necessarily a negative or an adverse impact on the eligibility of a property. Usually, it depends more on the effect that new use has on the historic fabric; on the physical materials, the architectural design. That's usually where we look for an impact if there is a new use. But in this case, it served as, effectively, a welcoming space for the La Concha Motel. It's now serving as a welcoming space for the Neon Museum, so it's a very similar, compatible new use and there has not, other than the relocation of the lobby, there has not been much impact on the actual structure and architectural design of the lobby itself.

Stoldal: Alicia Barber.

Barber: Yeah, Alicia Barber. And I'll just add to that. More often than not, the function is totally different than what it originally had been. I mean railroad depots become restaurants, schools become cultural centers. And so we like to encourage adaptive reuse. And so it's kind of a known issue is that something could be preserved wonderfully, because usually it's the exterior, but used for a completely different purpose, and we try to encourage that.

Stoldal: I do like the sound of the both welcoming centers. That was very nice.

Barber: Yeah.

Stoldal: I really thought it was nice. In Las Vegas, any comments on La Concha, as far as the nomination?

Kelly: Can you hear me?

Pine: No.

Kelly: I'll move a little closer.

Stoldal: That's great.

Kelly: I apologize, I'm sick so I have a cold. Can you hear me now?

Stoldal: Yes.

Kelly: Okay. I have a brief statement, I'd love to read, if I may.

Stoldal: Yeah, please identify yourself for the record.

Kelly: For the record...

Stoldal: Oh, go ahead.

Kelly: For the record, my name is Danielle Kelly, and I have the honor of serving as the executive director of the Las Vegas Neon Museum. "On behalf of the Neon Museum, I am speaking in support of the nomination of the La Concha lobby for the Nevada State Register of Historic Places. Open in 1961, the exuberant parabolic lines of the La Concha Motel lobby beautifully captured the dawn of Las Vegas' most memorable era. Its unique design, functioning as both building and a sign, distinguished it among the visual cacophony of The Strip. The elegant structure, with its remarkably thin poured concrete roof, became an icon unto itself. The building's engineering and its design are a wonder, as is the building's architect. La Concha architect, Paul Revere Williams, in a career that spanned five decades, designed private homes, commercial buildings, and interiors, and might be best recognized for designing most of Beverly Hills as we know it.

In 1923, Mr. Williams became the first African-American architect admitted into the American Institute of Architects, and in 1957, he became the first African-American fellow of the AIA. When the building faced the wrecking ball in 2003, the Las Vegas community banded together in an unprecedented ground (inaudible) of organized preservation and support to save the lobby. And in 2006, the La Concha experienced another engineering feat. Its precise dismantling into eight pieces for transport to the site of the Neon Museum. Through generous support of the Nevada State Historic Preservation Office and the Nevada Commission on Cultural Affairs, among others, the La Concha Motel lobby was reassembled and rehabilitated to its former glory, and now serves as a visitors center for the Neon Museum.

This year, the La Concha will welcome more than 80,000 visitors from around the world to the Neon Museum. Roughly 20% of them are from Nevada. Visitors who invariably swoon over the intimate, unique, and joyful floating seashell. Visitors will learn about Las Vegas' singular, cultural, and social history and they will marvel at the rich visual experience of Las Vegas, and they will leave with a deeper affection for and understanding of the incomparable pioneering spirit of Las Vegas and Nevada. The historic La Concha Motel lobby is the gateway to this experience, and it remains an architectural marvel and icon a our city and a state, whose exuberance embodies the daring of the Wild West. I urge you to consider placement of this important building on the Nevada State Historic Register." Thank you.

Stoldal: Thank you. Further comments from Las Vegas?

Barlow: Yes, this is Las Vegas City Councilman Ricki Barlow, and I concur with Ms. Kelly. As a representative of this area, specifically as we work towards the future repurposing of the Cashman Center and, of course, the Cultural Corridor and the many developments that we have. Our full list of things to do to really make this Cultural Corridor an exciting place for not only local residents, but tourists alike coming into this Corridor. And so, Mr. Chairman and members of the Board, I also concur with the opportunity of this historical place, the La Concha being placed on the National and State Registry of Historic Places. And thank you so very much for the time you've allotted momentarily for us to come and speak and be a part of this momentous moment.

Stoldal: Any other comments from Las Vegas? If not, thank you, Councilman Barlow, for your ongoing support of preservation of historic places in the booming downtown area, and thanks for taking time to come to this meeting. Comments from the general public in Reno?

Chattel: I'd like to make a comment.

Stoldal: Yes.

Chattel: For the record, Robert Chattel. I've been a contributor to the Neon Museum project over many years and at various points in time. Have worked with the City of Las Vegas as a consultant on the project and worked with Jim Bertolini from the SHPO Office, and I want to commend Jim on the quality of the nomination for the state register. It's very exciting to

see this project come to this point. I would add that the preservation effort and the relocation and reuse of the building will take on significance with the passing of time. And I would encourage you to consider, in decades forward, that this preservation effort is meaningful. Regionally, as Jim mentioned in the nomination, the California Preservation Foundation hosted a webinar, the first project focused out of state because of the uniqueness of the preservation and relocation and reuse effort at the Neon Museum of the La Concha Motel lobby. So I encourage you to be very open to preservation efforts that go so deep and so far as to cut a resource into eight pieces and relocate it and make it the welcoming lobby of an important facility like the Neon Museum.

Stoldal: Great.

Chattel: Thank you.

Stoldal: Thank you. One last comment. And, again, a chairman prerogative, is there are lots of people that are responsible for the La Concha getting to the point that it is today in the Neon Museum. And to mention one would be a disfavor to the others, but I'm going to do that and point out all the work that Dorothy Wright has championed this over the years and has done just a magnificent job. So thanks, Dorothy. **Look for a motion.**

Markoff: **So moved.**

Pine: **Second. Janice Pine.**

Stoldal: Who made the motion?

Markoff: Daniel Markoff.

Pine: And Pine, second.

Stoldal: Okay. Further comments? **Hearing none in Las Vegas, hearing none in Reno, all those in favor say aye.**

Group: **Aye.**

Stoldal: **Those opposed? Motion carries.** And, again, a great job, Jim. A lot of great detail in this.

Ostrovsky: Mr. Chairman?

Stoldal: Yes.

Ostrovsky: Just for the record, relative to the La Concha, but not to this register request. Someone who has time should delve into some of what the La Concha -- back in the '60s and '70s, I mentioned this before, there was a rental car agency which operated out of that lobby. And if someone wants to know something more about the history of Las Vegas in the '60s and '70s, they should go back and research that rental car agency.

Stoldal: Thank you.

Ostrovsky: I guarantee it would lead you to very interesting places.

Male: Wasn't that the Doumani's that were in there at that time?

Ostrovsky: Yeah, but Leo Crutchfield ran the...

Male: Yeah, Leo Crutchfield, (inaudible).

Ostrovsky: ...rental car agency at the time, who eventually did federal penitentiary time when he tried to bribe an IRS agent on behalf of Jay Sarno. So there's a long story about that rental car agency. So just something that a graduate student or somebody might want to poke around, and an interesting story about what life was like in those days.

Barton: It was incredibly colorful back then.

Ostrovsky: Very colorful.

Stoldal: All right. Any comments from Las Vegas before we move on? Hearing none. Alicia.

Barber: This is Alicia Barber. I just wanted to point out for the record, just because all of you know how nitpicky I am about these nominations, and I do line-by-line edits, I had no edits for either of these.

Stoldal: All right.

Stoldal: All right. Let's move to Item No. 6 B-1, National Register of Historic Places, Branch No. 1, Las Vegas Grammar School. This is an amendment and really a significant update that many people have been working on. Jim.

Bertolini: Yes, Jim Bertolini again for the record. And I'll take a brief pause. I saw Renee with the paper. A quick orientation, especially since we have some new Board members, about the paper in front of you. So you have two forms that are approval forms for these nominations. And we'll actually -- at the end of our Agenda items if we could collect those from you that would be great, especially for the La Concha. And then also the signature page from Chairman Stoldal. So quick housekeeping thing for you.

Moving on to Branch No. 1, the Las Vegas Grammar School also known as the Westside School located in the Westside neighborhood of Las Vegas. This is actually more of a housekeeping item. This was listed in the National Register in 1979, but like many of those early nominations, the National Register was created in 1966, and for about the first 20 years a lot of those nominations are very brief. This was one of those. It's acknowledged a little bit of association with the nearby neighborhood and that's about as far as it got. So actually as part of a historic preservation tax credit application for the City of Las Vegas, Chattel,

Inc. drafted additional documentation for the National Register file that would take on and document the broad significance of the Westside school that would acknowledge its importance, not only as an early custom designed architectural piece as part of the Fifth Supervision Ward of the schools in Nevada, but also to take on the story of the Westside, especially the African-American history there in that neighborhood, and document that in the public record.

Our hope is that the additional of this new documentation will not only serve to, in some cases, correct but also expand the public record about this important resource, but also serve as a tool for interpretive and educational programming for the Westside. I know there are a lot of folks in the neighborhood who are using research like this to promote the identity of the neighborhood and promote the history of it. And so we're hoping that this documentation can aid in that effort. So with that, I will open for any questions from the Board.

Stoldal: First in Las Vegas and Reno, any questions from the Board at this point? Alicia.

Barber: Alicia Barber. So I thought this was also really well done. Can you explain a little bit what happens then with the record? Does this get added onto the original nomination and they both are what will be brought up when people are looking up this property in the National Register?

Bertolini: Yes, Jim Bertolini for the record. Yes, in most cases an additional documentation or amendment to an existing National Register listing will be added too. So the 1979 documentation does not go away, but it will have new documentation added. Because of the comprehensive nature of the information that Chattel was able to put together, we decided that this should go -- there's two options for amending or providing additional documentation. We can just use continuation sheets or we can provide a full new form. Because of the comprehensive nature of these additions and corrections, we decided to use a new form, a new kind of standalone document that will be attached to the existing document.

Barber: Thank you.

Stoldal: Let me add that I would really like to see the 1979 one go away. First of all, it's very short and it's ungodly short because almost every sentence is wrong. So this is really an important document and the City of Las Vegas spent a lot of time in researching this, working with Chattel staff over the last three or four months. I'm not sure that all the updates, Jim, are actually in here about Old Town and so forth, so if I could make a motion that I would include that any updates that are still in the flow being polluted in the nomination. Are there any additional comments from the Board before we check with Las Vegas?

Barber: Could you just clarify what you mean by that, Old Town what?

Stoldal: Well, the school originally was built in 1923. It was called Old Town. Old Town was the designation that the community had given that portion of the land which was built by McWilliams, J.T. McWilliams, before the railroad auctioned off the Las Vegas side, and it

became known as Old Town. And it's a vertical piece that goes east and west from the railroad tracks west. The school was built right next to the lower northeast corner of that and the school became known as the Old Town. The next year, 1924, several prominent people, including Dr. Roy Martin, William Ferron, the pharmacist, Artemus Ham of Ham Hall at UNLV, and another person in Las Vegas bought the strip of land that runs north and south from the school, from Helen J. Stewart. They were speculating that Boulder Dam would be built within the next couple of years, so they bought it as land speculation and had big advertisements saying come buy the land. Realizing they couldn't sell land in a place called Old Town, they changed the name to Westside, so in 1924. So that early material needs to be -- that's the original use of the word Westside. So we want to make sure all of that material is in. And I've got another hour and a half if you want.

Let's go to Las Vegas for any comments in support or wants to deny the nomination. Las Vegas?

Barlow: Mr. Chairman, Councilman Ricki Barlow, City of Las Vegas. Great, great explanation. You are dead on and I truly believe that we need to make sure that all the historical facts are in place and remain in the public sector so that we will always have an opportunity to visit accurate and the most up-to-date information from a historical standpoint. I'd love to give credit to Brenda Williams, former councilwoman here at the City of Las Vegas, who leads the charge from the Westside School Alumni Foundation, who has done a lot of rich history in regards to a number of significant individuals that have not only attended the school, but are still around and are participating on her committee. And, of course, this particular site, the historic Westside School, is just a piece of a larger catalyst of the economic revitalization of the entire area.

And currently, the City of Las Vegas, my office is working very closely with the UNLV School of Design, who has produced a draft master plan of what's yet to come, and for that the City of Las Vegas Planning Development Department is weaving in the (inaudible) community concept along with this final draft that will be coming this September to really use the Westside School as a catalyst to basically roll out street (inaudible) wide sidewalks, bike lanes, RTC routes to really signal and identify this entire area as the historic destination point in the West Las Vegas community, along with the rich history that you've spelled out. And moving forward, the West Las Vegas plan that continues to be updated annually, all that is a part of the overall master plan of what we're looking to accomplish by improving the roadways, the streetscape, and making it a true walkable community.

And one thing that I would like point is since the revitalization of the Westside School and bringing in the new market tax credits, a lot of business has now started to generate from residential individuals coming and looking at opportunities for mixed-use residential projects to include commercial retail. Right northwest of this site, we have the Dollar General that has come into the area. We have had an El Pollo Loco to open, and next Wednesday at 1:00 p.m., if you area available, you're most definitely welcome to stand with me and the development of the Equity Group as we bring in the first full-service Starbucks into this area just a half a mile from this site.

So I'm just sharing with you how excited we are that the economic development and the revitalization of this area is coming back to life, and it has everything to do with the revitalization of the historic Westside School. And so for that, I urge you to stand with us (inaudible) Board that continues to improve this very historical place inside of downtown Las Vegas, of course, but overall inside the city of Las Vegas. And, Mr. Chairman and members of the Board, I thank you.

Stoldal: Thank you very much for your comments. Further comments from Las Vegas? Hearing none, I look for -- Mr. Chattel, look for with the idea that any of the updates here in the pipeline may also be included in this document.

Diamond: Renee Diamond. I move the nomination with any updates that you may find historical.

Dwyer: I'll second. Doris Dwyer.

Stoldal: Further comments from the general public in Las Vegas?

Markoff: We just had a question of ambiguity here. Daniel Markoff. On the ballot, I guess you'd call it, it has "Agency submitting the nomination to state". This is to be in addition to the federal register, though, isn't it?

Diamond: Yes.

Stoldal: Yes. This is the National Register.

Diamond: So should we change this?

Pine: But this says the agency submitting.

Diamond: This says the agency.

Pine: Submitting. Okay.

Diamond: (Inaudible) is the state agency.

Female: Because I had to read that twice too.

Pine: Okay.

Barber: It clarifies.

Stoldal: We have a motion and we have a second. Questions in Las Vegas? Questions in Reno? Hearing none, all those in favor say aye.

Group: Aye.

Stoldal: **Those opposed? Motion carries.** Congratulations, Las Vegas. I'm going to ask just for a personal preference here. We see you in Las Vegas, you see us in Reno. Could we go around and identify each of the members in Las Vegas, starting with Dennis McBride.

McBride: Dennis McBride, Director of the Nevada State Museum in Las Vegas.

Barlow: Las Vegas City Councilman Ricki Barlow.

Mitchell: Joe Mitchell, City of Las Vegas with Ricki Barlow.

Swank: Heidi Swank, Director of the Nevada Preservation Foundation.

Mooney: Courtney Mooney, Historic Preservation Officer for the City of Las Vegas.

Zakri: Maggie Zakri, the collections and archive specialist at the Neon Museum.

Kelly: Danielle Kelly, Executive Director at the Neon Museum.

Stoldal: Great. Thank you all for taking time to attend. All right. Let's now move to...

Barber: I'm sorry, just a minute.

Stoldal: Yeah.

Barber: Can you just kind of give clear direction on how to handle the forms here, just what to check, what to do.

Stoldal: I would take a pen, sign your name, and on the one for the La Concha you would check the "Above named recommended property for state listing only." And then for the Las Vegas Grammar School additional documentation, "Approve and recommend the above-named property for National Register consideration."

Barber: Thank you, Mr. Chair.

Stoldal: Were those the two that -- yes, question.

Dwyer: This is Doris Dwyer. Are we going to go back and cover Number 5?

Stoldal: Yes, we will. Yes.

Dwyer: Okay. Thank you.

Barton: In the break for the folks here in Reno, while we're transitioning, the restrooms are outside this door, turn right down to the end of the hallway and make another right. And there's some water and coffee and light refreshments outside the door.

Male: Thank you.

Stoldal: And while we're doing this also, we want to reiterate to both the University of Nevada here in Reno and the Environmental Protection Agency in Las Vegas, and specifically to Peter Barton who made this possible, this video link so we had a -- for this very historic part for the La Concha and the Westside School that we had a strong video/audio link to Las Vegas rather than just a telephone hookup. So, Peter, thank you very much for all your work on that. Just an FYI to Las Vegas, we have very top-quality microphones in there, so we're picking up every little inside piece of information, so...

Female: Okay.

Barlow: Mr. Chair, I have a question for you.

Stoldal: Yes, please.

Barlow: Yes, Councilman Barlow. I see that you have signed for the La Concha, as well as the Westside School. We were (inaudible) asked whether or not we will be able to have your pen so that we can store it as a point of importance.

Stoldal: Well, I'll have to tell you that I borrowed it this morning from the Whitney Peak Hotel.

Barlow: That's even better.

Stoldal: So I will bring it down and it's a gift to you, Councilman Barlow. Thank you for all your work.

Barlow: Thank you, sir. We'll be sure to place it in a prominent location at the La Concha.

Stoldal: All right. All right. Let's go to Item No. 5 which is the Calendar for the Next Meeting (For Possible Action). We have Item 5-A, our next meeting is scheduled for September the 11th, 2015, at the Lost City Museum in Overton. No change anticipated in that.

Ostrovsky: And what's the date again? I'm sorry.

Stoldal: 9/11.

Barton: Friday, 9/11.

Stoldal: Our next meeting, December 2015. Let's first consider a date. A Friday.

Barton: Again, this is Peter Barton for the record. We seem to follow a pattern of Fridays. Your options in December are the 4th, 11th and 18th. I don't think we want to meet on the 25th, which is a Friday. We typically go to Southern Nevada, and it's typically an overnight trip for staff and northern members. So it's your choice.

Stoldal: Let me back up to Item 5-C. We're talking about scheduling a two-day meeting. As you got the Agenda for this meeting and the starting time and the original departure time, we changed those. As we've moved forward in the last couple of years, this Commission has more and more work we've done. We only meet four times a year. There are significant challenges. We're going to talk about committee assignments in a couple of minutes. Challenges, whether they are collection and storage, and the preservation and care of artifacts; the fact that the world is changing and that we cannot rely on CIP for many of the fundamental things that we have to deal with, that we may -- not may, where we need to look for outside funding sources, which has not been at the top of this Board's agenda, simply because this Board is really in one way two boards and it's a board that is designated federally. The members are defined federally because of the national nomination that we do the work that we do.

So I think rather than thinking we're going to be meeting on Fridays, and I think we need to be thinking we're going to be meeting on Thursdays and Fridays. We just cannot go through some of these topics and blow through them. They are -- I know that's not the intent, but about 2:30 we, from the south, start looking at our watch to catch a plane, and when we're in the north we look at our watch at the same time to catch a plane north, so we don't wind up getting back in Reno or Las Vegas sometime after 10:00 at night. So a part of the reason that we're going to discuss some of the committees is so some of that work can be done so recommendations can be brought back to the full Board where a lot of the discussion has been brought down to the key points. So I would suggest we look at our December meeting as a two-day meeting either the 4th or the 3rd or the 10th.

Barton: Mr. Chairman, Hanukah begins on the 6th, so the week of -- that includes 10 and 11, would be two days in Hanukah. Two days, the 5th and 6th. I'd urge earlier in the month simply because travel gets, (A), progressively more expensive later in December and more challenging.

Stoldal: Let's look at December 3rd and 4th.

Pine: Is that the rodeo?

Barton: Well, could someone look at that? It probably is. And that does tend to drive hotel rates.

Barber: I know that's challenging for the end of your semester, too, Sarah. I mean, how's the end?

Cowie: Sarah Cowie for the record. Typically, Fridays are fine with me, but December 4th I'm booked up. I can't (inaudible).

Corbin: That is during the rodeo.

Barton: Mm-hmm.

Stoldal: In my previous life as a broadcast journalist, we would meet every morning and talk about what was going on, and on Thursday someone would invariably say, well, this is going to be

a big weekend in Las Vegas, there's a lot of things going on. We finally came to realize the story would be if it was not a big weekend in Las Vegas. So there's always going to be something. There's always going to be a conflict or there's going to be some challenges. The later in the month looks like a real challenge. And Sarah is going to be missing the 3rd and the 4th, and we've got the rodeo. But I think we can...

Diamond: And Hanukkah is not a "holiday" holiday, it's a festival. So it's not like you have to be there.

Stoldal: Okay. So that makes the 10th and the 11th back open again.

Ostrovsky: Mr. Chairman, I don't know what the university schedule is. Is an issue of school out then? Is the university closed?

Cowie: Sarah Cowie for the record. Finals end on the 16th, I mean but the schedule is not set yet, so I wouldn't even know when I would be unavailable.

Stoldal: All right. So let's just -- I mean half a dozen, 12 of the other. The 3rd and 4th or the 10th and 11th?

Pine: Doesn't matter to me. Either one.

Stoldal: All right. The 3rd.

Pine: Okay.

Stoldal: We'll go the 3rd and the 4th. Meeting in Las Vegas, the goal is as we move forward, as part of these two-day meetings, is to have the Board be able to get a visit of a couple of hours of each of these sites so we can understand what's going on in Lost City. Not just arrive there at 9:30, leave at 3:30, and have some lunch; that we really get an inside look at the opportunities and challenges of each of these sites. So part of the two-day session in Las Vegas will be to look at, to get a behind-the-scenes tour of the facility. So we can meet in Las Vegas or we can meet in Boulder City at the Railroad. When was the last time we met at the Boulder City Railroad?

Barton: June of last year.

Stoldal: And the last time we met in Las Vegas?

Barton: December of last year.

Pine: Two meetings.

Stoldal: So it would potentially be Boulder City.

Barton: Greg, do you -- this is Peter Barton for the record. Santa Train and Boulder City schedule. I don't have it committed to memory. Because that's generally a constraint.

Stoldal: Oh, I thought it was an opportunity.

Barton: June of 2014.

Corbin: ...turn into somewhat of a challenge. It's always the first three weekends of December. .

Barton: Well, it gets a little bit challenging for staff to manage.

Dwyer: This is Doris Dwyer. Could we switch the locations from September and December?

Stoldal: And do?

Dwyer: And make Boulder City in September and Overton in December?

Markoff: Dan Markoff. That would be a major problem, for me at least, because I participate in the Santa Train things out there at Boulder City.

Markoff: And I'd be tied up...

Markoff: ...one day moving the locomotive and the other day operating it.

Diamond: So Renee Diamond. I think we just need to be meeting either at Lost City or at Springs Preserve in December, and do the Railroad Museum in Boulder City another time. Rather than worrying about finding more dates, let's find a different location.

Stoldal: All right. So the motion is the informal part where we are, and not in a formal motion is that we are going to meet the 3rd and the 4th, and we meet in December in Las Vegas. Alicia.

Barber: I just wondered if the time that we lost the opportunity to go to Boulder City because of our flight being cancelled up here. I've never been to that museum...

Diamond: Oh, I forgot that.

Barber: ...and I'm kind of wondering if the September one could be at Boulder City instead of Las Vegas, because I've been there but I've been on this Board now for three years and I've still never been to Boulder City.

Barber: I'm saying if we did the -- well, I'm not saying switch them. I'm saying that if we did Boulder City in September and then in December did the Preserve or somewhere else (inaudible).

Stoldal: Well, I think Lost City is due for a visit. It's really important.

Barber: But we've been there and the northern contingent (inaudible) Boulder City.

Barton: What I might suggest, if I may, is stay the course with Overton in September as a one-day meeting, because there's the added complication of the 70-mile hike...

Barber: Okay.

Barton: ...from Las Vegas out to Overton. Let's stay the course with December at the Nevada State Museum of Las Vegas and field trip to Boulder City on the 3rd for half a day. Make that your museum visit. We've all...

Markoff: What dates?

Barton: On the 3rd and 4th.

Stoldal: All right. So starting off, we're not going to hit our first two-day meeting until December in Lost City, would be the 3rd. Okay. And then we would go to our two-day meeting 10th and 11th? No.

Barton: 3rd and 4th.

Barton: And we'll spend part of the day on the 3rd at Boulder City.

Barber: That'd be great.

Dwyer: Okay. This is Doris Dwyer. So for September 11th...

Barton: Overton.

Dwyer: ...we're doing it all in one day; the early, early, early flight?

Barton: We may still be compelled to do it in two days. We'll have to look at that and see how that works out as the Agenda evolves for that. But potentially it's one day. It's a long one day or we go down the afternoon prior.

Stoldal: We do have a significant new hotel/motel complex in the Overton area that's...

Barton: Really?

Stoldal: Yeah. A decent place. All right. Janice Pine.

Pine: Janice Pine. Just a quick observation, I guess. Certainly, if the rodeo is in full bloom in Las Vegas, during that weekend on the 3rd and 4th, somebody probably better make plane reservations very early.

Schorr: Seth Schorr for the record. For those of you traveling from the north, I happen to know a hotel in Las Vegas that on the 3rd has a \$39 rate currently. I'd be happy to secure a room

block, because I hope that rate skyrockets over the next couple of months, if that would be helpful.

Barton: Thank you. And by the way, the Downtown Grand, for the last year and a half, has been our hotel of choice whenever we travel.

Pine: It's very nice.

Markoff: Not to mention the Mob Museum is across the street.

Barton: And a number of restaurants.

Stoldal: All right. Let's get it back to where we were with our meeting. And September is going to stay on the 11th. Potentially, it could move to the 10th and the 11th, or the traveling on the 10th.

Barton: Could, yes.

Stoldal: And then in December it's going to be the 3rd and the 4th. I think Boulder City is due its own full meeting and I think that there are opportunities in Las Vegas to see some things downstairs that nobody has seen before in the last meeting, whether it's the Follies collection and really get an opportunity to see the new doors and see some of the things that are there. So I think we can talk about whether we're going to go out to Boulder City for a full meeting until next year. So somebody want to make a motion to wrap all that up?

Markoff: So moved. Daniel Markoff.

Diamond: Second. Renee Diamond. Whatever you just said.

Stoldal: Okay. Further comments from the Commission? Hearing none, any from Las Vegas?

Stoldal: Yes. And we have a better menu. Any comments from the general public in Reno? Hearing none, all those in favor say aye.

Group: Aye.

Stoldal: Those opposed? Motion carries. We have talked about the consideration of scheduling a two-day multi-board meetings. There's money in the operational budget as we look forward for those meetings. Item 5-D, Consideration for an additional Board retreat/training in 2015. This would really be to develop a strategic plan that would cover the next three, five, and maybe a little bit beyond that. Bob Ostrovsky.

Ostrovsky: Yeah, Mr. Chairman, Bob Ostrovsky. I started this. I raised this issue a couple of Board meetings ago. I still would like to think about doing it in this coming year. I don't know if we'll need to pick a date today, but we ought to think about sometime next year trying to get -- set aside time which is -- that is pretty exclusively talking about the future of the system

and what do we want it to look like long after we're gone. Three years is not -- we'll still be here, but ten years maybe we won't. And I think we still need to do that. I think Mr. Stoldal had some ideas about maybe sending out some materials individually to you and letting you chew on some things and make some recommendations back to Peter Barton, so we don't violate any Open Meeting Laws, so we can begin to create an Agenda so we can get the most out of a one-day event of some kind. I'd like, Mr. Chairman, just to keep it on the Agenda, I think we can pick a date sometime. It looks pretty full this year already. We're looking probably in the next year at the rate we're moving. But I think we ought to continue to try to get together and get it done. I think we ought to envision what we're going to be five and ten years from now.

Stoldal: Some of the discussion that I was thinking about and everybody around this table, at one point or another, has been part of an offside or a couple-of-day meetings to develop strategic plans, missions, vision statements. And some are successful, some are less than successful. The successful ones that I've been associated with are a lot of the work has been done in advance of the meeting by the attendees. And so you already come to that meeting and you don't start at square one. And my proposal is that we create a strategic committee out of this group and the committee would be of the whole. And I think I'm going to jump a little bit, but something that Peter and I have been talking about was the development of a Board manual, and you all should have a copy of that. That's something that Peter and his team put together. And in this there is an Item No. 8, which is the 2014 Strategic Planning Initiative that was developed by the directors of the seven state museums. You should have -- did we get for Janice?

Pine: I haven't left yet.

Stoldal: Okay.

Ostrovsky: It looks like this, and it says Heritage Lives Here.

Stoldal: Again, this is the 2014 Strategic Planning Initiative that was presented to us at our meeting in December. Again, this is the initiative of the seven directors. It is not the Board's strategic plan. There are other elements that we would need to include as we look to some of the other items down on our Agenda. One of them is to create another committee that is a major fundraising committee, major donors. We need to start looking for our own revenue sources as opposed to our counting on the CIP. We've got critical issues that are facing our collection storage. We've got one in the Nevada Historical Society where we're facing an OSHA violation, and we've been asking for CIP money for the last several years to get that taken care of. It was not. The state doesn't have a blank check. It has to set priorities, but we still need to deal with this and the world has changed. So one of the motions you're going to hear, one of the discussions, is about creating a major donor maybe of this group.

So the circle on this is in addition to this document, which contains one element of a strategic plan from the seven directors, the Department of Tourism and Cultural Affairs is going to begin working on its updated strategic plan, I believe, later this year or...

Barber: Actually, through the summer.

Stoldal: Through the summer. And so a portion of that will deal with the cultural affairs element of the Department of Tourism. So we will need to take that into consideration. We'll also take a look at Item 7-C-5 which is the History Relevance Campaign, the National Governor's Association, which my understanding is the Governor is very supportive of. Elements of that can also be included in our strategic plan. So the idea is that we will send out maybe seven or eight different elements that could be included in the strategic plan, have each of you review that, send your comments to Peter Barton, and then we'll bring them altogether in some form that we can use a one-day meeting to get from A to B with a lot of study that was done beforehand.

Ostrovsky: Mr. Chairman, Bob Ostrovsky again. If we have that many things on the calendar, maybe we really want to consider doing something about that in October or November. We have a Board meeting in September; you've got one in December. This summer is here, and I don't think this process can happen that fast. Maybe we ought to be looking for an October or November date to do some kind of strategic planning. And I think we have to consider what we talked about before was whether we want to do it ourselves or we want to hire someone using our private funds budgets to facilitate that. The Tourism Commission, which I served on, used a facilitator. And I would ask Claudia if she thought that was successful or that would be -- if somebody recommended that. There are people out in the world that do this for a living and can direct that kind of meeting and pull it altogether. And I don't know what those cost. Claudia, do you remember?

Vecchio: They're not inexpensive. Claudia Vecchio, for the record. It was probably somewhere in the \$12,000 to \$15,000 range for two meetings. They did a number of pre-meeting surveys and other discussions with the Commissioners. So they did work outside of just facilitating the meeting, I mean if you want a strategic planning process it's a fairly significant process done by this outside group. I'm happy to provide recommendation on whether or not I thought that particular group was effective, but that's how much they cost.

Ostrovsky: Okay. Thank you.

Cowie: Sarah Cowie for the record. My department just did a strategic planning thing last year and that facilitator was great. It was really productive and we got a lot more done than I think we would have otherwise. Made more decisions.

Stoldal: Yeah, Dan Markoff.

Markoff: Thank you. When we held that meeting back in March of 2014, I think it was, Bob and I and one other guy were going to be on a committee. I think it was Bill Watson. And we ran into all kinds of roadblocks about the Open Meeting Law and you can't discuss this, you can't discuss that. And it just seemed to be a total impediment to actually just figuring out where we're going. Not that we're making a decision, but just trying to focus on where we're headed. And it seemed awfully complicated to me for such a simple task. Nevertheless, I look around the room here and I see a lot of people in the professions and the academics,

business and history, and I feel that we ought to be able to figure out for ourselves, without spending any funds, where we want to go. I mean I can think of a lot of projects where \$12,000 from this Board would be a big help and rather than passing off to some corporation or firm to figure it out for us.

Stoldal: Well, I'm not sure that that's what the request is, is they can arrange from somebody to simply facilitate the discussion that day so it doesn't go off on tangents so that it just keeps things moving along or somebody that takes all the information and then creates a strategic initiative out of what you've talked about. I don't think we're talking about that. I think we're talking probably more for somebody that facilitates the process. Because some of us that I know, including looking in the mirror, I can go off on a tangent. So I'll give you another two hours of the Westside School if you want.

Markoff: That's okay. If you hire me to facilitate it, I'll keep it right on point.

Stoldal: So we can get sort of back to where we want to be. It sounds like the idea is that we do need to do it. The challenge, I think, sounds like are we going to be able to get everything, all the material out to the Board members, back to Peter, and then we can create a three- or four-page sort of bullet points of the things that we would need to talk about, find a location, get the travel arrangements done, and get all that done in time for an October meeting. It sounds a little squishy. I'd almost rather try to think of it as a January/February kind of thing. I don't...

Ostrovsky: That's fine.

Diamond: Renee Diamond for the record. I think we're kind of putting the cart before the horse. Yeah. I think we need to look around and find what kind of a facilitator we want. When we did it back -- what did we do in Lake Tahoe? What was it; the '80s or '90s? We had a person in the room. We didn't assign them anything in advance other than knowledge of what we wanted to end up with, which was pretty primitive. I think before we start talking about sending out material; what material? Are we attacking the whole range, and if so it would seem to me that we do need professional help. And, sorry, but I think that no -- well, I speak only for myself. I'm not capable of deciding what kind of material. Yeah, we have it organized by sections, but what would you be sending us? And I think a professional person could help us with that. I think we need a range of bids on what it could cost. Is it \$15,000 or is \$500 to have somebody organize the goal...

Stoldal: Right.

Diamond: ...get material out to people for comment, through Peter, and then set a date and a facilitator at the event.

Stoldal: The kinds of things I was thinking about sending out would be -- we're part of the Executive Branch, in a way. From the Governor then we come to the Department of Tourism and Cultural Affairs. There is some strategic planning, a document that will come out of that. That would go out to the Board. Our strategic plan would have to flow from the Nevada

Revised Statutes of things that we are charged with, whether it's the museum store -- here are certain things that we have to highlight because we are responsible for them statutorily. I would also think that we have the information from the staff. The seven directors got together and they came up with their two- or three-page sort of listing of what they feel is important. That would have to be included. I would also suggest that, for example, Jim, your docents also would have some thoughts that could be included in, so the various volunteer groups could also submit. And that in turn would be submitted to -- and so we would digest all of that material and either highlight or retype it or whatever and send it to Peter Barton, we could take all that and find where there's commonality and then use that document.

Diamond: So Renee Diamond for the record. I understand that.

Stoldal: Okay.

Diamond: That material will exist from Claudia and from other places that you'll want us to comment. I see that as separate from an end product, which is where we, as a Board, want to go.

Stoldal: Okay.

Diamond: Maybe it's part of what leads us to an end. The institutions, the museums got together and did how many pages, three pages. I think we are being too global yet not specific enough in what do we want to get out of a two-day retreat. Do we want to get our vision of governance within the context of our mandate through statute and our mandate through the Governor? Is that what the end -- I think we all feel like -- those of us who have been around the block a couple of times, we feel we need a couple of days to synthesize. We've done the past, now where are we going in the future. And there maybe specifics attached with it, like Claudia's document directing us and statute that didn't exist for directing us. But I think we need to decide first -- I mean when I make dinner, as rare as it is, I don't light the oven and then go shopping. I sit down with a piece of paper and decide what I'm going to serve, then go shopping, then light the oven.

Stoldal: And I'm suggesting that you're correct.

Diamond: And so I think we all felt the need as Board members to get together and talk about it for longer than a minute and a quarter during lunch at a regular meeting, but what are we going to talk about. So as chair, I think I'd like to see you decide what's the goal of the meeting.

Stoldal: To use your analogy, my plan would be to take the -- and I counted about six different recipes, and I'd send those recipes out to everybody. We don't have to reinvent the wheel. We have to decide what our priorities are in this new world. And one of the priorities has got to be that we are going to have to change this Board, which has largely been an academic board because of the federal requirement that we have certain category fields, that we have shied away from fundraising. And we're going to have to turn that on its head, and we are going to have to take a major role in fundraising. So when I write down the strategic plan, it's going to say fundraising. And so I'm going to take the various documents that are here,

including one -- this is my museum strategic planning document. And it includes a variety of things, including this one that we adopted as something that we wanted to be part of; "The Value of History, Seven Ways it is Essential." And there are some elements in here for education and fundraising, engage citizenship and leadership, that I'd like to include in our strategic planning. So I'm going to send a copy of this out.

They're not 27-page reports, because we don't have time for all those 27-page reports. There's some work that's already been done for us by either other historic museum commissions or what's going to come out of Claudia's team. But tourism has to be not at the bottom of our list, we need to include tourism and economic development as part of our goal. So I'm going to send you the seven or eight recipes and maybe somebody else has got a good idea. And part of it is this Open Meeting Law that Dan was dealing with. And the way to deal with that is you send it all out, you don't hit reply all, you hit reply to...

Stoldal: ...to Peter and then we can take all this information and chunk out some things that we can then resend to you and we can set that up and then we hire somebody and say we want to get from A to B. Our goal is to come up with something we can work with three years, five years and ten-year plan. That's sort of the thinking and I haven't gone beyond that.

Markoff: Mr. Chairman?

Stoldal: Yes.

Markoff: Dan Markoff again. You almost took some of the words right out of my mouth, because I view this as a means to give guidance as we've been discussing, but it's much simpler than having a bunch of complicated things involved in it. There are certain functions that we are required to do by statute; those aren't going to change. Okay. So we know what's going to be in the future there. We've got to pass on admission fees; we've got to pass on this and that. That's set forth in the statute.

One of the other things, as you discussed, that we have not done much of is fundraising. That is a critical thing. The Colorado Historical Association, they are -- History of Colorado, whatever it's called now, is big in the fundraising area and getting funds distributed to needy projects. We have a nice chunk of change that we're sitting on, but we kind of just dole it out in small chunks. There's no big projects, that I'm aware of, that we've really spent some substantial funds on. But the corollary of that is if you're going to spend funds, you've got to keep funds coming in. And one of the future things we should be looking at is how we can be more engaged in attracting funding, be it through tourism, be it through donations, or be it through whatever. But we've got to get more dough flowing in so we can more dough flowing out. That's the way I view it.

Ostrovsky: Mr. Chairman?

Stoldal: Yes.

Ostrovsky: Just to move it along, I mean, I think if you asked each one of us, we'd have a different list. I'd like to double attendance. I'd like to plan a new institution that we haven't even thought about yet to build 10 years from now. I'd like to centralize the management of all the museum stores. So my list is going to be five items. Your list might be ten items. And I do we think we need somebody to pull that together. I think we need a profession person to pull that together, and then we work as a group to try to prioritize some of those and talk about what are the tactics that gets us there over a period of years. So we're starting down this road today, but we can spend eight hours doing this, easily, and that's what we want to do. I don't know how to move the ball forward. It's been a year we've been talking about it, so...

Stoldal: Well, I'm going to suggest we do this; I'm going to suggest that the plan, and we are on -- just for the staff and people taking notes, we are on 5-D, consideration for an additional Board retreat, that the plan would be that I'll move forward with sending out the various documents that the second part of that plan -- or the first part is those documents go out, you respond to Peter Barton within a time certain. And we're certainly not going to make it within a week or two. You need some time to digest and think about this. Then we would also look in the process of hiring somebody that is going to facilitate the meeting and we also look at dates that would be in the late January, early February of 2016. We start narrowing down those dates. And we can do a lot of this if you simply feed the material back to Peter Barton. Yes, please.

Rasul: Can I just make a recommendation?

Stoldal: Yes.

Barber: What I would recommend in doing this is...

Female: State your name, please.

Rasul: Oh. Henna Rasul, Senior Deputy Attorney General. Is to have Peter send out the documents...

Stoldal: All right.

Rasul: ...and what I have a lot of my boards do to avoid the reply all, because sometimes people just do it, is to blind copy everybody.

Barton: I think that's what we do.

Rasul: Okay. Good.

Stoldal: Good. Okay.

Rasul: Yeah, and so that way there's no choice but to just simply respond to Peter.

Stoldal: Great. Renee Diamond.

Diamond: Renee Diamond for the record. And along with that, Bob, I'd appreciate if you could create, maybe with Bob O's assistance or whatever, a specific written goal for what it is we hope to create...

Stoldal: Okay.

Diamond: ...and accomplish through this...

Diamond: ...process.

Stoldal: All right.

Diamond: Start with that.

Stoldal: Do we need a motion on that or is that more of an administrative...

Diamond: No, it's your word.

Rasul: It's more administrative. But, I mean, you can do a motion but you don't have to.

Stoldal: Okay. All right. I think we've got...

Markoff: Mr. Chairman, it just seems that it's just informational, more than anything else.

Stoldal: Great. We've got the instructions. We will move forward. The time right now is 10:42. Do we want to take a 10-minute break?

Markoff: Yes.

Stoldal: Does anybody need to take a break? The answer is yes. But let's make it kind of a 10-minute break, because we've got a lot of material that we've got to cover. Thank you all.

(off the record)

Stoldal: I'd like to call back to order the meeting of the State of Nevada Board of Museums and History for Friday, June the 19th. First, we're going to take the following items; Item No. 12, Train Rides Yearly Review per NRS 381, and then we will begin the Agency Reports. And I've either walked 1,067 steps or it's 10:67. I'm not sure.

Ostrovsky: Or you have broken box.

Stoldal: But we will try and get to the Agency Reports before we take a break. Let's go with Item No. 12, Train Ride Rates Yearly Review per Nevada Revised Statute 381, Nevada State Railroad Museum Carson City, as well as Boulder City. Peter?

Barton: Thank you, Mr. Chairman and members of the Board. You've got this in your presentation books. It's a little bit more complicated than admissions, because there are many options that we provide for regular train rides, special train rides, train rentals, where someone may come in and they wish to have exclusive occupancy of the train. The only changes here, and this one we wrestled with a lot, is the highlighted below, near the bottom on the Santa Train events, both here in Carson City in the north and then Boulder City. The Carson City rate went from free for about 20 years up until 2009, to initially \$2 per seat. We raised it two or three years ago to \$3 a seat, and we're proposing now to bump it to \$5 per seat. And in Boulder City, a modest increase which may seem a little bit odd to go from \$5 to \$6. What's driving that is that we are moving toward electronic ticketing, whereby we will have a provider where the public can go and preorder their tickets at a time specific to avoid what historically has been very long lines at our Santa Trains. I mean we've had as many as 400 and 500 people in line waiting to board the Santa Train in Carson City, standing in the cold.

And customers today have an expectation that they can go to a website somewhere and buy their ticket, whether it's to the Grateful Dead concert or the Frank Sinatra, Jr. concert tonight here at the Silver Legacy or wherever. People have an expectation. There's a cost to doing business associated with that which we cannot pass to the customer. State law doesn't allow us to do that, so we absorb that cost as a cost of doing business, which we're reflecting in this increase in price. So Mr. Corbin is here. He is the driver, if you will, of this request. So, Greg, you have anything you wanted to add?

Corbin: I really have nothing to add at this end. I'm taking some of the -- Greg Corbin for the record -- just taking some of the experience that I've developed in Boulder City and then trying to apply it to Carson City, which is driving the request to up it from \$3 to \$5. I basically announced this to the staff last summer, when I relocated back here to the northern part of the state, that more than likely I would make this proposal to increase it to \$5. We're making some subtle changes to the event here in Carson City similar to what I've done in Boulder City. We're going to expand the Santa Train to three weekends here this year for the first time. We're going to tailor the times in which the train runs to be a little more manageable and acceptable with the public.

I introduced, last year, the opportunity for the public to buy their tickets in advance here in Carson City, whereas Peter just mentioned it was traditionally long lines standing out in various elements, cold, whatever; that they could buy their tickets -- they could come to the museum, they could buy their tickets at the gift shop or at the door and that they could then come back to the event and we gave them a priority or presales line where it just allowed them to move to the front of the line for the train. Really, it was very successful. We had a couple of little kinks the first day to work out, but it has gone good.

So they've all had a year or nearly a year to absorb the idea of increasing the fare from \$3 to \$5. I've heard no resistance to it, so...

Barton: Yeah. And if I may further on that. For the record, Peter Barton. In Carson City, the environment's changed a little bit. We have some competition now. The V&T runs a very popular Polar Express each year, which is heavily marketed and sells out very early. As a

result, there's been some cannibalization of our attendance at Santa Train; however, we've not had price resistance as part of that. The Polar Express, if I recall, is \$30 a person.

Corbin: That's the cheap seats.

Barton: Yes. So there's a dramatic difference in both the experience and its cost. So we're not anticipating resistance at a \$5 level. In Boulder City, by contrast, we own the market. There is no competition for a Heritage Rail experience within 150-200 miles of Boulder City. So we own that market. Absolutely no market resistance down there, and I don't anticipate any problem with going to \$6.

Corbin: And there's the Candy Cane Train too in Virginia City.

Barton: Yes. We've got considerable competition here in this market. But again, nonetheless, we've not seen resistance to the price. We've got a product that the public has come to know, recognize, appreciate, and want for the last 25 years. Again, it's shifted a little bit. We've seen some diminished activity as a result of the Polar Express, but it's still a worthwhile venture and I think (inaudible) three weeks...

Corbin: It's the value of what we make it.

Barton: ...we'll learn more this year from expanded operation, as well.

Stoldal: So the question is the ranking. Which one is the -- the \$30 is the lower-end price? I would assume that it's a longer ride, a different sort of a ride. What was the other, Candy Cane?

Corbin: The Polar Express is really a theatrical experience on a train.

Stoldal: Okay.

Corbin: It's based on the movie. So any of you that have seen the movie, it's a theatrical show on the train.

Stoldal: All right.

Corbin: So that's the difference. And because it's a Warner Bros. product, it's licensed and the people that do it have to adhere to a strict set of conditions...

Stoldal: Okay.

Corbin: ...in putting it on.

Stoldal: Candy Cane?

Corbin: Candy Cane is just another -- it's like our Santa Train.

Barton: It's a knockoff of Santa Train.

Corbin: It's down on the V&T. It's on the same railroad, but it's a separate...

Stoldal: How long?

Corbin: ...event. I think it's only two miles. I think it's on their two-mile stretch...

Stoldal: And their price?

Corbin: ...from Virginia City to Gold Hill and back.

Stoldal: What's their price?

Corbin: \$15. So say our (inaudible)...

Stoldal: I can already see Bob's mind working there. We were at \$3 to \$5 and they're already at \$15?

Corbin: And they're already at \$15. Yeah, so I mean, the value...

Stoldal: I'll open the Board to questions.

Corbin: ...of what we're doing, I'm just trying -- because we have this added competition, I'm asking for this slight increase. It's going to bring us in line more with what we've established in Boulder City. It allows us, just on the 3,000 people that we had at Carson City last year, that \$2 difference, you can do the math, you know that's considerably more train ride revenue coming in and it's still a value.

Stoldal: Questions from the Commission?

Markoff: Yeah...

Stoldal: Renee Diamond.

Markoff: ...Dan Markoff. You say you're doing the Polar Express here or is that being done on the V&T?

Diamond: No, it's being done in Virginia City.

Corbin: No, that's being done on the Virginia and Truckee Railroad.

Stoldal: Renee.

Diamond: So is it my understanding you're also going to institute, in both places, the new electronic ticketing or are you just going to...

Corbin: Greg Corbin for the record. Peter and I really haven't decided whether we're going to apply that to Carson City this year. We're heading that direction. I think with some of the changes that we're doing this year and we get through Boulder City this first year with this new system and see how that works, hopefully we can apply that in future years.

Diamond: **So I would move that we accept the increases as highlighted in our book.**

Stoldal: Any other questions?

Pine: **Second.**

Stoldal: We have a motion.

Diamond: **Renee Diamond the motion, and Janice Pine a second.**

Ostrovsky: Yeah, I have one.

Stoldal: Second?

Diamond: Yeah.

Ostrovsky: I have a question.

Ostrovsky: Do you have empty seats or do you sell out?

Corbin: No, it's pretty -- it's -- for a number of years now, Santa Train in Boulder City has been running at 99.9% capacity. The first train in the first weekend that we do it of the three weekends there might be a few empty seats. But for all intents and purposes, it's 100%. And the beauty of that whole event is it sells itself anymore. It's gotten to the point it sells itself, because what happens is everybody that finds out about the first year -- or the first time and they come there thinking that they're just going to walk onto the facility, buy a ticket, get on the train, those are our customers the following years. They've learned that they can't make that mistake again, and so they -- the whole thing is just marketed through our websites.

Stoldal: Alicia, question?

Barber: Well, I was just thinking about added value in a competitive atmosphere. I mean do we know which one has the actual Santa?

Stoldal: The real Santa? I think we do.

Barber: Okay.

Stoldal: Historically, we have the real Santa. Dan Markoff.

Diamond: Polar Express doesn't have (inaudible).

Markoff: I just want to point out something. I mean I've been going out there, for how long now, six, seven years with Eureka with the Santa Train thing and I've never seen another Board member there for one of these events. You've got to see it, it's unbelievable. It's a huge festive thing with everybody having fun. And this guy over here put it all together and got it going that direction. I'm telling you it's an event you need to see. It'll put you in the Christmas spirit. It's historically entertaining, because you see the historic equipment out there, and it's all moving.

Stoldal: So the question is it's a great buy; are we selling ourselves cheap?

Diamond: We're selling out.

Markoff: Yes. I move -- well, there's already a motion to approve this.

Stoldal: All right. We have a motion and we have a second. Any comments from Las Vegas? Comments from Reno?

Ostrovsky: Bob Ostrovsky, just for the record. I will vote for this, but I would like someone to really take a close look at this, because I think we are selling ourselves too cheap here if we're running at 99% capacity. If we have people who can't take this train for economic reasons, if we feel there's people in the community then we ought to raise some money, me or anybody else, to buy a hundred tickets and say you can give these out in neighborhoods where they can't afford it or whatever. But I just think for the general public, they're getting a hell of a value from us.

Stoldal: \$6. \$5 and \$6.

Ostrovsky: Yeah, you can (inaudible).

Diamond: So I want to speak to my own motion, which is that that was going to be my next motion. I think it's too short a time period to discuss today what it should really be. But I think we're selling ourselves short. I mean, you can't go to a movie anymore for \$12 any evening. So my motion is to take care of this for this year and next June when we're talking about this, I would prefer to see some increases that are more market driven.

Stoldal: Okay. Any other comments? Otherwise, we have a motion and we have a second.

Dwyer: Yeah, this is Doris Dwyer for the record. There is some virtue in raising things gradually, so we have another opportunity next year...

Ostrovsky: Yeah.

Dwyer: ...so rather than one big jump. I mean you brought that up before. So I think this falls into this category.

Ostrovsky: Ratchet it up over time.

Stoldal: Let me just say that we have the opportunity not to wait for a year. We have the opportunity to decide that after we get the feedback from the Santa Trains this year that we can decide in February that we want to -- we don't have to wait for next year's Santa Train. So we have a motion and we have a second. Any other questions, comments? Seeing or hearing none, all those in favor say aye.

Group: Aye.

Stoldal: Those opposed? Motion carries. Greg, thank you very much and thank you for the great idea of getting it rolling and bringing it up here and looking at different ways to do that, including the electronic ticketing. Let us move to Item No. 7-A, Department of Tourism and Cultural Affairs. Claudia is here with us. We appreciate that. Please bring us up to date on what's going on with the Department.

Vecchio: Thank you. For those of you who are new, I just wanted to let you know in 2011 the Department of Cultural Affairs and the Nevada Commission on Tourism merged into the Department of Tourism and Cultural Affairs, which is why the structure is as it is today. I came on board at that point and I am thrilled that Tourism now has an opportunity to take a look at the cultural component of what the state has to offer our domestic and international travelers, because I don't think Tourism has done a particularly great job at highlighting that in years past. So hopefully we'll do a better job moving forward. There's a significant opportunity with historic and cultural travelers that we haven't maximized, and so hopefully you will see that as part of our effort moving forward. I did want to introduce Felicia Archer, who you may have met, but she is our public information officer for this group and she does a tremendous job at generating media coverage, both traditional media and social media, in a more growing way. And so she's a great resource for us to have here.

You have kind of a brief report of the things that are happening in the tourism group. I just wanted to add a couple of things that have happened since this report came to you. First of all, we had the Western Governors' Association meeting coming next to the Hyatt at Incline Village. We had nine governors, including one from Guam, and they will descend upon Incline Village next week. As part of this, there are field trips that we offer; and so we have three field trips, one of them is very much tourism and economic development oriented. They'll go to South Lake Tahoe, up the Heavenly Gondola and see the area as just really the tourism and economic development messaging.

The second we'll talk about natural resources and wildfire abatement and that sort of thing. That's led by the Department of Conservation. And the third is a history and cultural one, and it'll include some popular history. We're having McAvoy Layne on as Mark Twain, so kind of fun history, but Wendell Huffman will also join the group to talk about railroad history in Lake Tahoe, and we'll also have Ben Rupert, who will talk about the Native American history in Cave Rock, and then they'll tour Thunderbird Lodge. So we are giving them a brief case of some of the history and culture that has occurred up at Lake Tahoe. And thank you to Peter and Wendell for jumping at the opportunity to participate in that field trip.

When did we have our Commission meeting? Was it this week? I think it was Wednesday. Wednesday of this week, we had a Commission meeting and I just want to let you know this. There is a pot of money that we have in there that is approximately \$100,000 for urban sponsorships. And we have historically sponsored events such -- and just brief, small sponsorships and events like the balloon races, and the air races was a significant sponsorship, but for a different reason. And the golf tournament up in Reno, we've done very little in Southern Nevada. We just haven't had the ask from Southern Nevada events. But this time the Commission approved \$100,000 to the Seven Magic Mountains, which is an art installation by artist Ugo Rondinone, I believe is the way you say his last name. I think it's a breakthrough kind of an art installation down off of I-15 in Jean. And I think it has tremendous appeal for international travelers. It was quite a conversation with our Commissioners to get them to have an understanding of the value of this, and it's kind of a jump into something kind of unknown for them because, again, it's a cultural- and artistic-driven type of tourism appeal. And so my hat's off to the Commissioners for taking this jump and for seeing some value in the art and cultural component, so...

Pine: What is this?

Vecchio: Yeah. I don't have anything with me. It is rock sculptures that will -- they're highly colorful rock sculptures. So they sort of look Stonehenge-y if you've seen that. So it's just totem pole, if you will, of rock -- massive rocks that are multicolored and will be situated in the desert out by Jean. And they're working with Transportation and all to get the safety and the ingress and the egress all worked out with us. But they just depict this sort of Christo-esque art installation out in the desert. And it's out -- it's a little -- it's different. But I really believe that art enthusiasts and international travelers will see this and just flip over it. Plus, I think it enhances the brand of Nevada as a creative kind of forward-thinking state. And I will send you pictures of what it is.

Diamond: Is it a permanent installation?

Vecchio: No. The plan is to have it go in this November, November 19th at this point, and who knows if that will stick, and then be there for two years.

Stoldal: Think Stonehenge Picasso as opposed to Stonehenge Renoir.

Pine: This is Janice Pine. Are the stones naturally colored or are they artificially colored?

Vecchio: No. They are very definitely painted.

Pine: Are they like spray painted?

Vecchio: Could be. I don't know how he's going to paint them, but they are not naturally colored. They are naturally gray boulders and they are going to be painted bright colors. It literally rocks. It's as cool (inaudible). I really -- and then there's the other installation that will go up kind of in the middle of the state. And I'm less familiar with that because they haven't

asked us for money. But this continues to bolster the state, along with the ongoing proliferation of the Burning Man public art throughout the state that I think it nothing but just spectacular. And, again, I think it creates a great brand for the state.

Stoldal: According to the statutes, the chairman of this Board sits as a nonvoting member of the Commission on Tourism.

Vecchio: Yes.

Stoldal: And having done that for a couple of year, my first impression of this Board was they all love Bob Newhart. And that's sort of where they stopped with their philosophy of life. Well -- or maybe even before that. But this...

Vecchio: Well, it's traditional.

Stoldal: Very traditional, but this sounds like a pretty big breakthrough for them.

Vecchio: Yes. So we shall see how this goes. \$100,000 is may seem like a lot for this particular project. It's not, and it really is for us to take a look and see how successful it is and to evaluate it and determine if we want to do another giving next year. But Bob is absolutely right. This was a step forward. It's great.

You have a legislative session overview, and one of the things that I don't believe I put on here, is that I did not think that this required legislative approval, but the rest stops and the rest areas that we've talked about in the past were cut from the budget of the Department of Transportation budget, which is very disappointing. And I was told about it literally the night before the vote was going to happen. And I can't remember where I was, but I wasn't in the country so there was very little I could do. And so know that that was cut, but I have a commitment from the Director of the Department of Transportation to take another look at this and for the Governor's Office to see if there's something we can do to continue on with this program, because we were fairly far down the road on this. And, again, I think the opportunity is extraordinary and it's something we absolutely need to do as a state, so it would...

Stoldal: And there would be some history elements with the rest stops?

Vecchio: Absolutely. It was not only to create safe, habitable rest stops, which we really don't have, but it was to provide education about the historic, cultural, and natural resources of that area and the other areas in the state to encourage travel. So, yeah, it's an important next step in the evolution of this state from a tourism standpoint, and that leads me into another component that is not in here, but that you will see as our strategic plan unfolds, is that I really have three initiatives for tourism in the next couple of years. And the first is infrastructure. And we need to ensure that the state's infrastructure, both from an air standpoint and a ground standpoint, meets the needs and the changing needs of our traveler. And please know that our traveler to Nevada is definitely changing.

So it's everything from the rest stops, it's to making sure that the airports have the resources and they have the procedures necessary to welcome international travelers, and it also is signage, which I think is highly inadequate at these rest stops. So it really is looking at all components of air and ground transportation to ensure that we can meet a growing traveler.

And I believe one of those key areas is international travel, and that's the second initiative to ensure that we as a state -- that our industry knows how to deal with international travelers and that we promote and market the state correctly within the international arena. With that said, we are evolving what's been a fairly traditional Governor's Conference on Tourism educational session some of you have attended that in the past, into the Governor's Summit of International Tourism. And it really is going to be focused on international travel, because that particular conference is also geared to our urban partners, and urban partners don't need a bunch of education from us. They know what they're doing. But to help them understand an evolving area, I think we can really take a lead on that. And we do have, as you might know, offices in nine international markets and we were just approved to go into India, which we are going to do with a very thoughtful and strategic approach and really determine what that means for us to enter a market as vast as India with a budget as small as we have. So we can't do it like we do every place else.

A third initiative is industry diversification. We've been challenged lately with some messaging that have come out of industry leaders, most of them have been part of the industry service historically that have been not exactly complimentary about Nevada's tourism industry. And that's troubling, because I believe our industry is very much a vibrant and alive and growing one. So we're going to work on diversifying both the product that we offer, and you can see it in the evolution of the Downtown Grand Hotel in the way that they've changed to meet a different visitor. The Whitney Peak Hotel, SLS in Las Vegas. I mean they really are starting to understand how our visitor is changing and the needs of a millennial and younger audience, which we absolutely have to target. But also, cultural tourism and the other components of tourism that have really not had the voice they've needed in the past. So those three initiatives we're really going to be working on. We do a lot of other things, but I think as we ladder up to three initiatives that people can really grasp and understand it'll help us kind of engage our industry a little bit better than we have in the past.

The other fun thing that we're doing this summer, we introduced the "Nevada: A world within. A state apart" brand in 2011, and with it the tourism slogan "Don't Fence Me In." The campaign is a couple of years old. The brand is a couple of years old. Although the brand has a long way to go, it's sort of, from a creative standpoint, at least from the tourism's side, needs to evolve, so we're going to be doing new creative this summer and we certainly will look to incorporate history and the cultural components into the campaign again. But that's always a fun process to redo television and all of our creative elements.

Lastly, I should have mentioned this during the international piece, but we have an opportunity -- one of our really burgeoning markets is Brazil. And we have an extraordinary international sales guy in Larry Friedman. I don't know if you all know Larry, but he's arguably the best in the business. And he's created these relationships, because most of this

is all about relationships, with a major tour operator in Brazil, and they are going to bring up 140 Brazilian tour operators into the Reno-Tahoe area at once, one time, in September. And that's an extraordinary opportunity for Reno-Tahoe. And then they are going to bring the top 10 sellers, and these are people who sell a lot of tours and other things, to Las Vegas. So, again, just an incredible opportunity. Brazilians are -- they're a high-spending group. They love to shop. They love -- obviously they love cars. They love golf. And so we want to showcase what Northern Nevada and then, with these top sellers, what Southern Nevada has to offer to them.

I think the rest of this is pretty self-explanatory in the tourism world. In the arts world, and Felicia jump in here if you -- I don't know where the arts piece is. But they just completed the 10th anniversary of Poetry Out Loud to great contest among high school students in poetry recitation. And, as you can well imagine, it goes far beyond an ability to say a poem up on the stage. It really creates opportunities for these young people to enhance a number of different skills. So we just had that and the winner went on to a national competition. So, anyway, we do that every year. Felicia...

Archer: The Arts @ the Heart.

Vecchio: We just had the Arts @ the Heart convening in Reno, and that is kind of an unheralded extraordinary event that I would welcome all of you to participate in, because they don't just talk about how to create great artists. They talk about how to create vibrant communities and the value of the arts and creative thought in developing communities. And so they have speakers who come in from other places around the country that have really created this very artistic, for lack of a better word, community outreach and community direction. And I think it's something that we can very definitely integrate into our rural communities in Nevada. That's good. If there's any questions about all of that. The arts did also, just back in the legislative session, SB 266 -- I think it was SB -- was the live entertainment tax. There is a component in there that provides \$150,000 to the Arts Council. That one happened without much knowledge of anybody. But voilà, there it is and we need to determine how to best allocate and spend those dollars, so...

Stoldal: Questions, comments? On that first page on the last item, Strategic Plan Development, how can we impact that development?

Vecchio: Yeah. So the Strategic Plan Development came out. The Commission on Tourism did a strategic planning session that started out to -- the goal starting out was very different from what we ended up with. But we did get good input from our commissioners about how they wanted this organization to move forward. So we are putting together a draft, strategic plan. The staff is putting together a draft strategic plan with our overarching goals and then some tactics, which then will be further outlined in campaign plans or shorter action plans, but the strategic plan for us is really a cliché, but a roadmap for the big stuff. And we'll be presenting that at our September 2nd Commission meeting. So the Commissioners will get it prior to that meeting, but will have time then for input in any of that, and then probably will be approved then in November, when we meet at the Global Tourism Summit meeting.

Stoldal: Questions, comments, thoughts, issues?

Schorr: Seth Schorr for the record. Thank you for the update. I found that very interesting. One of the things I heard was you commented on the state's infrastructure needs and the lack of rest stops and being cut from the budget. With Tesla having such an influence in Northern Nevada, as a Tesla owner one of the things that I'm always concerned with in taking road trips is charging stations.

Vecchio: Sure.

Schorr: And I believe that there may be an opportunity for Tesla to sponsor rest stops with charging stations as a major marketing play for them to show that they're not going against the American dream of long road trips, and that might be something to look into.

Vecchio: Yeah, Claudia Vecchio for the record. That's a spectacular idea and we've thought about that, because Tesla -- actually, there are charging stations and then there are charging stations. There are charging stations that take the better part of a day or overnight and then there are Tesla charging stations that take a couple of hours. And I may be understating that, I don't know, but they're much shorter. So the Governor just recently, of course, announced the Electric Highway, which we will have charging stations along Highway 95. I do not know where they're getting those charging stations, but you're absolutely right. The first rest stops we were looking at are those along Highway 80 -- by 80. And we put charging stations in there and were very definitely going to talk to Tesla, should that have moved forward because of the robust nature of their charging stations. So thank you for that and if you can continue to tell your legislators how important that would be, that would be excellent.

Stoldal: Do we charge for the charging stations?

Vecchio: No, interestingly because part of the statute is that we can't -- you can -- we can gain partnerships, but the partners can't -- we can get no revenue from that, which is another thing that needs to change. But we can't charge for the charging stations, I don't think.

Stoldal: So they get free gas. Why do they get free gas?

Vecchio: I haven't seen a charging (inaudible) charging station.

Ostrovsky: Mr. Chairman, Bob Ostrovsky. My understanding is that there's some marriage here that includes Nevada Energy and Valley Electric and others that are participating. If you want one of these charging stations located at your gas station or your facility, you have to pay for the charge for two years, and then after that there's some other -- it's a mess. The financing is a mess. The idea is great and I think Claudia is correct. It will take probably another legislative change, but I think they're thinking in the right direction, so they'll figure out all the parts and pieces over time. They'll get there.

Stoldal: That's way off of our mission statement, but thank you for the (inaudible).

Vecchio: Well, yes and no. There are a number of cultural opportunities along 95 that we currently don't talk about, and if we can get people there in electric cars we're good. So...

Ostrovsky: Yeah, you're right. This is Bob Ostrovsky. If you have to spend two hours in Tonopah, then the mining park ought to have a little shuttle bus and say we'll pick you up. The tour of the mining park takes about an hour and a half. You can have some fun. Bang. No, it's not a state institution, but certainly the Cultural (inaudible) Foundation and others have put money into that park and it is a cultural attraction. And then if they like that, they'll end up in one of our museums.

Vecchio: How long does it take for a Tesla charge?

Schorr: You can get a full charge in two hours. But you're right, it's about the right charger.

Vecchio: Yeah, it's about the right charger.

Stoldal: All right. Questions, comments? Thank you very much.

Vecchio: Thank you.

Barber: Thank you.

Stoldal: Let's move on to Item 7-B. I do not believe that there is actually a report from State Historic Preservation Office. There isn't?

de Dufour: No. But thank you for being here. Karyn de Dufour for the record, Deputy, SHPO, thank you for approving the two nominations this morning. We really appreciate it.

Stoldal: Let's see, our time is now 11:23. Item 7-C-1, that would be Peter Barton, the 78th General Legislative Session Report: museum budgets, Capital Improvements Program, employee compensation, as well as reports on bills that impact this Board way or the other.

Barton: Thank you, Mr. Chairman. For the record, Peter Barton. And just to move things along, we submitted to you via e-mail, on June 3rd, kind of a legislative report that went to staff. And I'm not going to elaborate unless there are questions on any specific bills or impacts to museums. I think the highlights are that our budgets were pretty stable this time. We've made considerable progress from the recession. In the 77th legislative session, our progress wasn't quite as robust out of the 78th session, but nonetheless we did restore two positions. Well, actually we restored one position and gained a new position. We've got a long way to go to get back to the -- what I hate to call the high-water mark of 2007, but the reality is we've got a ways to go yet to get back there.

We'll add a day of service to the Nevada State Museum in Las Vegas, they will open on Wednesdays when that new position is actually hired. We expect that not before October 1st. We're just now getting the actual legislative approved budget or getting access to it. There's a two or three-month delay before new positions can be hired while Human Resources loads

all of this information into their system. But sometime after October 1st, we'll have an additional position for Mr. McBride who is still sticking it out with us down there, in his bright Hawaiian shirt today. Every day is Hawaiian shirt day for Dennis actually.

Barton: So that's kind of a highlight on the budgets. Employee issues, there were some gains in employee benefits this session. Capital improvements, for the new members in particular, we have a growing backlog of deferred maintenance that's a statewide problem in museums and history. The most recent Deferred Maintenance Report showed \$12.5 million in deferred maintenance. The Capital Improvement Program is funded through bond sales that are in turn funded by realty transfer taxes, which, of course, have collapsed since the recession and are coming back at a very slow rate. To give you some context, seven years ago the Public Works program was \$600 million over the biennium. This current biennium that we're closing out is less than \$100 million. And the biennium coming up, it's just over \$100 million. Bob, I forgot where it actually landed. I think we're at \$14 million. So it is a growing concern for everyone who manages state facilities.

However, we're going to keep up with the maintenance needs. Nonetheless, we did prevail with a few capital improvement projects. We requested 23 of them, I believe, for the upcoming biennium and I think we have about four of them that have been funded, including some critical adobe maintenance at Lost City. Mechanical system improvements at the Las Vegas Museum. Some safety and security improvement at the Historical Society in Reno, and some very desperately needed and overdue improvements to the air quality in the basement of the Nevada State Museum in Carson City.

So it's a little bit, but really is a drop in the bucket. Things that weren't funded, some critical issues that would help us address a chronic shortage of suitable collections. Management space was not funded. A critical need for what's turned out to be a life safety challenge for us here at the Historical Society with 30-year-old compact storage units that no longer serve us the way that's safe for our staff to operate. It was not funded, despite it having been requested for six legislative cycles. So there needs to be some priority changes. I submitted Public Works on how they assess the priority needs for deferred maintenance. And as the Chairman has suggested today, we're going to have to start looking beyond the borders of just the state's program to fund some of the critical needs. So unless there are questions, I'm going to roll right along.

Stoldal: Dan Markoff.

Markoff: Yeah, Dan Markoff. Where's the OSHA violation at regarding the Historical Society.

Barton: For the record, Peter Barton. We don't know. We've were told not to consult them, they will consult with us. They have six months. They have 180 days to close it. It's dated March 3rd, so by September we'd have to know.

Markoff: It seems kind of incongruous. The state shutting down the state.

Barton: Well, in all fairness to OSHA, they felt uncomfortable having to deal with this, quite frankly, for that reason. But nonetheless, there is a life safety issue that could have resulted in serious injury or death.

Markoff: And how much would that to fix that?

Barton: The Public Works estimate for repairing the compact storage, which includes some needed improvements to the floor over which this equipment operates, is \$246,000. The direct cost just for the maintenance of the compact storage, taking out any floor repairs, is \$129,000.

Stoldal: Plus, there's another little element and we'll get to that a little more in the report. That's just one set of compact shelves we're talking about. The warranties have run out. We can't get parts. We have more compact shelves. And we'll get into that report a little bit more.

Alongside with what Peter just said, it's been the operational philosophy of this Board for as long as I can remember, back to the '80s, that we have tried to take the normal things to operate a state facility, take them out of the private budget. At one point, we were paying for toilet paper and power and a whole variety of things. We have felt that the state should take care of those things and the private funds should go for collections and et cetera. Well, I think we're going to have to change that philosophy because we can no longer think of the state as meeting the critical needs. And I know it's a step and you start moving in that direction to where we go out and we raise money to fix things that the state should fix then the state's going to say, oh, you guys go ahead. We're not going to give you any money. You're going to go ahead and raise all the money yourself and so forth. But I think we're going to have to bite that bullet and start taking care of business and start dealing with things that the Historical Society or Dan pointed out, and we'll get to the Collection Report a little bit later on; the challenges that we have in Boulder City with some of the railroad cars. So any more questions for...

Markoff: Dan Markoff. I have just one more for you, Peter. You say there is about \$12 million in deferred maintenance that we have sitting -- what are the big items of deferred maintenance?

Barton: For the record, Peter Barton. We submitted that report. It's in the Collections Report that you all got in March. We included the entire Deferred Maintenance Report. I don't have it - - well, I do have it over there.

Stoldal: Again, think of the \$12 million not as necessarily in today dollars. Some of these things would roll in. The deferred maintenance has three or four categories, right?

Barton: There are three priorities. There are immediate needs, 5-year needs, and 10-year needs. So you roll them all up. They've identified...

Diamond: As one of the people in the '80s who were adamant about that the private funds shouldn't be paying for toilet paper and light bulbs, this goes back to long-term planning and long-term goals. Bob is right. The mindset of the legislature for a while would take over those things. We were successful for a short while then the crash came and we were losing everything

every place, so we couldn't concentrate on private fund budget. But now we have maybe a legislative intent -- legislators are more intent on bread-and-butter issues as opposed to the kinds of things that you need for a creative group of institutions like ours. So I agree with you. We made a remark before about not spending money. The goal of the Board has always been to preserve funds for long-term purchases that went to our mission of collection and so on.

We have to have a serious discussion, as a Board, do we want to change our mindset. I mean that set of shelves is a serious, serious life safety issue. It's not a health issue, it's life safety. Maybe at the big storage unit out in Indian Springs, maybe those are life safety issues. And so are we, as a Board, going to put our finger in the dike and hope to plug a hole here and a hole there. It's not a strategy. It's not a strategy I like personally in my own life. I like global answers. But we have may have to do it and that's something I think we have to put in the long-range planning discussion.

Stoldal: Right now we have a Board policy that we will not spend the corpus, that we will only spend the interest on the funds. And quite frankly, even though there is X number of millions of dollars of funds, a significant portion of that is already earmarked. The donor either said it's going to go for this, that, or whatever. So it's not there's a pot of money we can just spend X, Y, and Z. And the challenge is it's not just with Jim, but again thanks to Jim and his team for bringing this up, the crisis with the collections. It's also the Historical Society, but it's not just the Historical Society. You've got some treasures in Lost City that I don't even really want to describe because it's almost a violation of some -- a law or ethics the way that -- not the staff. They're doing the best job they can. And so you go to each of the facilities and there is a crisis. If there's not an immediate one right now, there's one right there. You can see it in a couple of days. So that money will go faster than a speeding bullet.

So maybe our challenge is not to spend all that money or to spend some of it where there is a crisis at this moment, but that we need to go out and create a fundraising, which we're going to do later today, but what's our priorities. And sometimes it's going to be very challenging to set the priorities, because we've got lots of needs -- initially lots of needs right now.

So, again, I think we're going to have to get over that hump that we think the state legislature is going to allocate the funds. We may have to go back and ask them for a different thing. We want all the admission fees to come in here or we want -- we just have to have a fresh look at how the state deals with this responsibility. And one of the ways that we've got to put our heads above water is to make sure that we play a strong role with Tourism. We've got to make sure that they see us. And you look at the money the Commission on Cultural Affairs has given to Austin and Eureka and some of these small towns. That's just not for historic preservation. That's stimulus money. That dollar goes into that community and gets turned over four, five, six, ten times. Plus, when they create a tourist site there, whether it's the St. Augustine's Church, that becomes a destination people will stay another hour or two hours. So there's a real economic value to these projects. And that is my seventh cup of coffee.

Any more questions for Peter? Did you find the information or are you going to get that to...

Barton: We'll have to look that -- it wasn't the specific standard not included in the Roll Up Report that's in the Collections Report. We can get you that detail. It's public information. It's on the website for Public Works.

Markoff: I wouldn't know where to look.

Barton: We'll provide that.

Stoldal: Let's go for a couple more before we break for lunch. Legislative Audit.

Barton: For the record, Peter Barton. As has been reported previously, legislative audits are part of what we deal with. They're cyclical. They come every 10 years or so. Our last one was completed in 2005 or 2006, and so it was our turn. Legislative auditors appeared in November and did a risk assessment that continued through January. And in February, they began a field audit. They concluded field audit late April. And we had a preliminary exit conference. Actually, their full exit conference is delayed for reasons that aren't clear to me, because normally that would have occurred by now. But they focused on two areas; how does the division handle cash? Every person whether it's a volunteer or member of staff that collects cash or takes fees from the public, how is that money handled from the time we first see it until it's safely in the treasurer's hand. We did exceedingly well. They tested 100 random dates over a period of 18 months and found not a single exception with cash receipt handling.

Their other focus was on museum store operations, store inventory, how that's handled. And that unveiled a number of material weaknesses in the internal controls. Once we get their final report, there is a series of reports that we have to come up with and in 10 days we have to respond initially, and then come out with 30- and 45-day action plans, and then a 6-month plan and report back. And by September or so we would expect this report would be finalized and would be calendared for a public meeting. All legislative audits are handled through the Legislative Commission and are subject to public meeting. So we're thinking in September this would become a public report. Again, Carrie and I sat through the exit report, the initial or preliminary report, and the findings are not terribly onerous. We've actually come out of this, I think, pretty good.

Stoldal: Questions?

Vecchio: Can I just make a comment? This is Claudia for the record. I just want to commend Peter and his team. These audits are as detailed as audits get. And these auditors are looking for the most kind of random and not even problematically important components of these things. And they often feel as though this is a performance report when, in fact, it's not. It's a financial nitpick of how you're operating your business. But with all that said, and I won't go and have a major soapbox on this one, but let me just say that Peter and his team really show that they are operating a very buttoned-up ship; that they are above the eyes of these auditors. And I have to commend them all for what seems to be a very, actually,

complimentary audit, if you will, of how they're operating. So I thank them for that and for showing a division that does a really good job at maintaining its books.

Barton: Thank you.

Stoldal: Let's go to Item 7-C which is 3, Distribution and review of the new Board Orientation manual.

Barton: You should all have your copy. And, Janice, I'm sorry. We got you one? Did we get you a copy?

Pine: Yes, I took Peter Dubé's name off.

Barton: That's fine.

Pine: Lauri's going to get him a new one.

Barton: And this is an outgrowth of something that the Chair had asked about and was really long overdue. And we'll go through it very briefly. It was really geared for new members and as we transition and new members come on, but we also thought it important to get a copy of this to each member. And it's in a three-ring binder format, because it's a living document. It will change over time. So it begins with just a very, very brief overview of the division and its member museums and the structure of the department, and goes then into a little bit -- very topically hits a little detail on the financial side of how the division is funded through general fund appropriations, through revenue collections for fees and services we provide and then through the dedicated trust fund, lists the accounts for those. And then there's just one little colored chart there that shows, for the upcoming biennium proposed distribution of assets and -- well, where the assets come from and how they're distributed. So just a little bit of a brief overview.

The document then goes in to talk about -- well, it's just our new statewide map that Claudia's team -- thank you very much -- was able to put together for us that shows you where the museums are located. The next tab are just the key contacts for my office and the seven state museums, both e-mail and phone numbers. And we also included, because this Board has authority over certain federal responsibilities and state responsibilities for the Historic Preservation Office, we list them as well. And then there's how to contact each other, though we don't recommend you do that.

Stoldal: But would you double-check, take a look at that, and make sure that Peter has all the correct telephone numbers.

Barton: Yeah, take a look and please do. If there's information that's incorrect or missing, let me know and we'll get it updated. The next tab is about to change very soon, but it's the current how the Board is governed, who the officers are, and the committees as of the printing of this book. We talk then a little bit about our meeting dates and how and when we meet.

Then we get into the nitty-gritty of the statute. NRS 381 is what governs state museums. And so you've got the statute as it existed prior to the 78th Legislative Session. I actually met with LCB legal yesterday and they advise that they expect to have all of the legislative changes codified and into these various statutes by November. So this will change. There are some statutory changes, very minimal in NRS 381. Under our definitions in Section 001, we're adding -- no, I guess it's not in 001. It's 004; we're going to add Nevada State Prison as a fund account and the responsibilities of the Board toward a new account that we'll discuss a little bit later on.

Behind Tab 8, just again the staff's -- and this is not a strategic plan. Let me make that absolutely clear. We had one meeting with staff last year where we at least looked at the environment and how it's changed for us and came up with just some very global ideas on what would be the priorities for the division from the staff's perspective.

Beyond that is your handy-dandy Board and Commission manual. I certainly recommend you study that. The good folks at the Attorney General's Office put this together for us. In October of every year, they do host a Board and Commission training. We highly recommend that you spend the half a day and take part in that training. We'll let you know when that's coming up.

The next tab is just again from the Attorney General's Office, state-contracting basis. This Board does not get into much depth when it comes to contracts, but there's one on the Agenda today. This tells the do's and don'ts with respect to that. Behind the next tab is just a single page, from the state's perspective, the do's and don'ts of ethics.

Stoldal: One of the questions is, in reviewing the letters that the Governor sent me a copy of to the new appointments, it's pretty much colloquially -- the letter itself other than it's more than just dear occupant, but the question came up whether or not -- and in the past this Board has not had to fill out financial disclosure. And I don't know whether or not then -- and I think we'd really like a formal opinion or an informal opinion or to give us some guidance. How many of you have filled out a financial disclosure statement? I don't think any of us have.

Diamond: It's usually in March.

Ostrovsky: I have.

Stoldal: You have? Well, but I think you're...

Diamond: I do. The last few -- we were in the beginning required to and then it was...

Ostrovsky: It was a long time ago.

Diamond: ...the same thing in the legislature. This is Renee Diamond. And then we weren't required to. But I've just done it for so many years that every March I file one. Nobody says here it is back or anything. But...

Stoldal: We were told we can...

Diamond: ...we need an opinion about whether we're back reporting again.

Rasul: For the record, Henna Rasul, Senior Deputy Attorney General. I can't recall right off the top of my head, but what I would recommend is that Peter just contact Sarah after the meeting. Yeah.

Stoldal: Okay. Good. Okay. And if we are, then we'll all get notice and we rush down and put a stamp on it, special delivery, and...

Barton: No, it's all done online now.

Rasul: It's all done online.

Stoldal: All done -- it's a do online thing.

Diamond: Renee Diamond for the record. It's done online. If I can do, you can do it. But more importantly, there's a specific time of year you do it. It isn't just run right now and do it.

Ostrovsky: Yeah.

Stoldal: But, in fact, if we were supposed to be doing it and we haven't done it then we should do it ASAP.

Diamond: Yeah, but the Secretary of State's Office, I remember it, is receiving them at a certain time.

Barton: January 15th, we're required -- as unclassified employees of the State of Nevada, our financial disclosure statements are due on January 15th every year. And you don't want to miss it. You do not want to miss that date.

Stoldal: Well, let us know, if you would, formally or somebody let the Board know what the (inaudible).

Diamond: Renee Diamond. It used to be March or maybe it's January now. But the reality is they're pretty easy to do. They're general information. It's not onerous in any way. We just -- because we used to have to do it yearly...

Ostrovsky: Yeah.

Diamond: ...and then we didn't, I had no clue the last couple of years, so I just filed. I'm one of those when in doubt, do it.

Ostrovsky: And for the record, Bob Ostrovsky. When I said I filed in the past, I haven't filed recently.

Pine: Yeah.

Ostrovsky: Somewhere along the line I stopped. I was told to stop, so...

Diamond: Yeah, a few years ago.

Stoldal: Yeah, I mean I filed at one point, but I haven't recently. Janice Pine.

Pine: I was just going to reiterate what Bob said. I don't think that there is any requirement for us to do it as members of this Board. But if they wanted us to do it, they'd have -- since only Renee has been doing it, they'd have notified us, and there's been no notification recently.

Stoldal: It was in the letter though, sent to these two gentlemen, that you need to check on it.

Diamond: The last thing I filled out requesting reappointment had something.

Stoldal: So we'll find out and get the word out to everybody. Number. 12.

Barton: The next tab is just a snapshot picture of the museum dedicated trust funds over which you have authority as of December 31st of 2014. We are required to generate these reports twice a year, in January and in July, and submit them to the Interim Finance Committee as an informational item. It's a pretty good snapshot of revenue and expenditures and the investments at the time that they're produced.

Beyond that is just the FYI information on museum attendance over the span of the last 10 or so years. We've included some breakdowns on school tours. It gives you some idea of what we're doing that way. Volunteers to museums, certainly we all know are critically important, so we also track volunteer contributions, the number of active volunteers, the number of hours they contribute. And then we extrapolate that into a dollar value to the state that's based upon information that comes out in an independent Washington D.C. think tank, known as independentsector.org., who valued Nevada's volunteer service at just under \$20 an hour last year.

Beyond that, you'll have just what we dealt with today, which is current admission and train ride rates. And following that, this Board has an independent audit, as required by law, of the trust funds and trust fund activity each year. The independent auditor of record right now is Michael J. Bertrand & Associates in Carson City. Mr. Bertrand should be here at 1:00 today, because there's an Agenda item under Item 10 for where he wants to discuss some findings from the 2014 audit. And he's now engaged for us for the 2015 audit, which beings with a physical inventory in our stores next week -- or two weeks.

And finally behind that are the current Board-approved -- not finally. There's still one more behind it -- but the Board-approved policies. And these came out of the actual -- the 26 legislative audit rulings said that you need certain policies. Legislature identified what those required policies were and this Board reviews the manuals, makes changes at the December meeting, and then we republish them.

Finally, and this is the finally, some information on the State Historic Preservation Office, their role as it relates to NRS 381. The Board's role in reviewing register nominations. And then the very last page is the role of the Comstock Historic District and the appeal process that someone could bring to this Board if they had a complaint with the Historic District action. We haven't seen one of those, and I've been here for 12 years, and I don't think there's been one in 12 years.

Stoldal: I've seen one.

Pine: ...storage container buildings making it into a house or whatever. Janice Pine.

Diamond: And then there was one, there was a house being rehabbed in Goldfield, I think.

Stoldal: There's one additional document that I'm going to have Peter send out, and that's titled "Division of Museums and History, Code of Ethics." We adopted this in January of 2002. And it's going to be part of the packet that we send out for the strategic planning. It deals with more than just a conflict of interest. It deals with public service, governance. The Board of Museums and History has nine things that we ensure. Everything from making sure that we're open to the public, dealing with collections, our responsibilities there, interpretation, and education programs. I believe, Peter, this is part of the AAM Code of Ethics.

Barton: For the record, Peter Barton. It is. This will become one of the Board policies we look at this December, so we will adopt it and report it to LCB. It's not one of the current policies that's reported, but it's a necessary policy to have. So it'll get on the docket and we'll discuss it in December and then report it after that.

Stoldal: Yeah, (inaudible) that we will look at. Any questions, any thoughts, any comments?

Barber: Thank you for putting this together.

Pine: Yes. Janice Pine. I was going to just say the same thing. I think that there's all kinds of great information in here, even if it's only the list of names and addresses of the Board members. But this is great.

Markoff: Yeah, just don't use that list, please, to start serial communications or I'll have problems with the folks across the street from our office.

Ostrovsky: For the record, Bob Ostrovsky. Just to prove I'm not a dinosaur, I don't have a fax machine anymore.

Barton: So just real quickly, Mr. Chair, if I may and then lunch is here. It's a boxed lunch today from Silver & Blue Catering here at the university. Personnel Report that I have is just we update you on vacancies. We have 72.6 full-time equivalents in this division. Something like that.

Pine: Yeah, it's close.

Barton: And we have a couple of vacancies. The Nevada State Railroad Museum Boulder City has had a vacancy for a museum director. We've had some struggles with the agency HR in getting that position filled. It is back. We have recrafted the announcement and reposted about three weeks ago. I haven't heard on any activity on that recruitment, but it is back out there. We have an upcoming recruitment for a sales and promotion rep at the Nevada State Museum Carson City that's been vacant for some time. That's, again, going into the recruitment queue. And I don't think, without my notes, that there are any other active vacancies right now. The legislative process did allow us to hold onto a Board-funded position that's been vacant in Las Vegas for a museum storekeeper position. They did allow that position to be retained. We did lose authority for an administrative assistant position at the Nevada Historical Society that's been vacant by action of this Board since 2011 or 2009, a long time. So that's it on the Personnel Report.

Real quickly on the History Relevance Campaign. Thank you again to everyone for your support of this. We presented this at the April meeting. This is a project of the State Historic Administrators, or SHAM as we call ourselves, that was geared at -- well, it's a result of the de-emphasis on history education. We call it K-Adult. The de-emphasis that's occurred over the last number of years as Common Core has come to the surface and standardized testing has come up, history education has diminished. We've articulated the importance of history education and want to take it to the next level, which is how do we influence the public policymakers to agree that history education is important. So it's the History Relevance Campaign. The document has its own website now. It has been adopted by a number of organizations, both national organizations and statewide organizations. Nevada is a part of that now.

So the next level that we're taking this is with my counterpart from Idaho, Janet Gallimore, and another counterpart from Kentucky, Kent Whitworth, we've approached the National Governor's Association through the Education Workforce Committee, which just happens to be chaired by Governor Brian Sandoval, to get this onto the national agenda. And working with the Washington D.C. Nevada office, and that's staffed by Tyler Klimas. I don't know if any of you know, Tyler's been around with Governor Sandoval since he took office. And Ryan McGinness, who's the son of Senator Mike McGinness of Fallon, we met via teleconference with those folks a couple of weeks ago, and the good news came last Friday that we've been invited to Washington in August to present this concept to the Education Workforce Subcommittee to try to get this on the national agenda. So it is moving forward. Do we want to do Public Relations real quick?

Stoldal: I think we'll do 7-D, Public Relations Report, and then we'll take a break for lunch.

Archer: Well, okay. I'm Felicia Archer for the record. I am your public information officer and I represent this group, the Museums and History. Also the Arts Council and the Indian Commission. So the number one commandment of PR is that shall not talk too long when people are waiting for lunch. So I just want you to know that we had a wonderful kickoff of the Glenbrook. I hope that you look at some of the things -- I gave you some snapshots in

your report so you can get an idea of what the coverage was. There was plenty, though, and it was very long, so you don't have everything but there's some links. It was a wonderful event and we had our donor from the E.L. Wiegand Foundation on the NBC affiliate here in Reno that night speaking about the donation and about the exhibit, the artifact. So it was wonderful.

Also, last time we talked about the collection storage issue, and I would call the media part of it a success, because while we have had attention to the issue, it's been fair since the last time I met with you. The appeal came and they looked at the issue and they came and looked at the conditions, and we thought we had a very fair story. We haven't had any more attention on it because I think we're explaining to them that this is a complicated issue and that we are being very professional in responding to it. Plenty more I could tell you, but know that we get lots of good attention, both internationally and domestically. And I work very closely with Tourism's staff to keep up on partnerships that we can take advantage of. I'm not going to get it right, but Lost City got an award for being a great destination from a large magazine. And we also learned that we're about to get another award from True West. Is that right, Peter?

Archer: True West Magazine said that one of our museums, and we don't know which one, has been named to the top 10, and that's coming out in their next magazine. We'll know more about that soon.

Stoldal: Great. Any questions?

Ostrovsky: I have a question. Do you manage social media for us too?

Archer: I do some social media for you. For instance, we now have a division Facebook page, and I share much information from the individual museum's site. Again with Tourism, we recently did a tweet chat and jumped in with them. Their team was talking about great things to photograph, and so I got on and talked with them. I also do Periscope, and I Periscoped from the Glenbrook event, which, if you don't know, is you can broadcast live streaming. So we do some social media. Certainly, there is opportunity to do more. Did you have another question on that?

Ostrovsky: Just a comment. Mr. Chairman, Bob Ostrovsky for the record. I know that when I served on the Tourism Commission, social media became an issue. Not an issue, but it's something the Tourism Commission was very interested in. If you want to draw to millennials and young folks, that's the way you get there. And we shouldn't forget when we do our strategic planning, we ought to be talking about that too. I mean just reaching out with a sign on the road is not enough anymore to get people to come to your institution, but if you can get them going on BuzzFeed or Periscope or any place else, it's an unbelievable impact. And we probably don't do enough of that because we don't have anybody dedicated to it. Obviously, that's an issue that I think we ought to talk about in the future. Not today. I'm glad we do some, but it's a full-time job just to manage social media.

Archer: It absolutely is.

Ostrovsky: Yeah.

Archer: This is Felicia again. At each of the museums, we have someone who operates the -- that's probably not the right word -- but...

Barton: Manages.

Archer: ...works on the Facebook page. Some of them are using Twitter. We haven't really talked about the strategic use of Twitter, though we are using it. And I think Periscope really was an eye-opener at how quickly we got followers, and among the first followers we got was the editor of the Reno Gazette. So it happens quickly and it happens, as you said, with the right audiences.

Stoldal: Well, that could be one of our fundraising tools, as well.

Ostrovsky: Yeah, this is Bob Ostrovsky again. Just remember that the downside of that is if you don't have a centralized person like a PIO officer, you then don't control your message. So you have to be careful about who can tweet on your behalf, who can post on your behalf because you'll end up cleaning up a mess if you're not real careful about how you do it. It takes a real plan to get there. You just can't tell anybody, oh, tweet on-site and do this and that.

Stoldal: Well, we've got some opportunities.

Vecchio: This is Claudia Vecchio. Just yesterday, we introduced a communications policy for the department for that very reason. I mean this needs to be a very thoughtful approach that we take. And if I may say one other thing. We are -- and I've said this since I got here three and a half years ago -- we are truly redeveloping Nevadaculture.org. Of course, having a robust website is also a good thing. We haven't for three years. And by the fall, certainly by October or November, we will have that completely renovated, redesigned, and reestablished as a viable web presence. They have training next week for folks to come in and learn how to use the new site and administer it. So we at the Tourism side will help everybody else with this site.

Stoldal: Okay. Further questions, comments? Hearing none. I think what we'll do is -- we've moved the Agenda along. Had some good discussion. We still have some major things to deal with; finances, committee reports, and so forth.

Archer: I did forget one thing. This is Felicia. We talked about news media and we talked about social media and entertainment media. The Historical Society is going to be on Mysteries at the Museum next Friday night on the Travel Channel. We have a couple other things like that that are coming up not scheduled, but watch them next Friday.

Stoldal: What's the mystery?

Hayes-Zorn: I did an interview with Mysteries at the Museum about Reuel Gridley and our Sanitary sack of flour. And raising over \$275,000 during the Civil War.

Stoldal: What's the mystery?

Pine: The sack of flour.

Hayes-Zorn: The sack of flour, we still have it and the important of it.

Stoldal: Oh, it's not a mystery though?

Hayes-Zorn: Not really.

Markoff: You have Gridley's sack of flour still?

Hayes-Zorn: We still do.

Stoldal: Well, the flour is pretty hard, isn't it?

Hayes-Zorn: It is.

Stoldal: It's probably like a rock.

Ostrovsky: A sack of concrete.

Female: It's at least 50 pounds or, so it's a great piece, so...

Stoldal: Great.

Archer: So we work with those guys all the time.

Stoldal: That's wonderful. Peter Barton.

Barton: Well, we wanted to note today is a very special day in many ways. You're all here, and one of your very own members is celebrating a birthday today. So, Renee Diamond, happy birthday.

Diamond: Thank you.

Barton: And the staff...

Diamond: I want you all to know that I'm older than dirt, not flour.

Barton: We have a birthday cake that (inaudible) from our office insisted she would bake for you.

Diamond: Made with that flour?

Barton: No. And so we'll celebrate with a little cake at the end of lunch today.

Diamond: I couldn't resist. Oh, thank you. I love cake.

Stoldal: And we won't sing. We won't sign you a song. Right now, according to my watch, it's 11:91. And so let's -- if we can get back by 12:87. So what time is it really, roughly?

Ostrovsky: About almost a quarter to 12:00.

Stoldal: Okay. So why don't we get back here about 12:45.

(off the record)

Stoldal: I'd like to call back to order the Nevada Board of Museums and History for Friday June the 19th, for our afternoon session. We're going to start with Item 10-B, which is a review of the letter dated October 27, 2014 concerning findings and recommendations from the independent auditor of the Museum Dedicated Trust Fund. And then we're going to go into bringing all of our other committee items together, which includes Items 8, 13, and 16. We'll take the committee matters all in one group, but first Item 10-B, the independent auditor. Peter.

Barton: Thank you, Mr. Chairman and members of the Board. We have with us today Michael Bertrand, who's with Bertrand & Associates, the independent auditor of record for the Museum Dedicated Trust Fund for FY 2014, which concluded on June 30th of last year, and is also performing the audit for the current fiscal year, which is going to end in another 11 days. So as part of his report to you, which you saw in April and moved to adopt, there was a letter of recommendations to this body. So I'd ask Michael Bertrand to lead us through.

Bertrand: Okay, sure. I'm assuming everybody has a copy of the letter. Typically, when we do finish an audit, not only do we provide financial statements but also a letter of recommendations to the Board and to the Audit Committee. We had several recommendations here. Overall, things went relatively very smoothly. Staff was very cooperative. We did some disbursement testing, looking at expenditures, and making sure there was documentation and everything was fine there. There were no exceptions. So I'll just point out just the two areas that we really did have some recommendations for improvement.

Item No. 3, Gross Profit Variances for some museum stores. We noticed that three of the stores, the gross profit percentages were really out of line. The Nevada Historical Society was at a gross profit percentage of 96%. Boulder City Railroad was 60% and Lost City Museum was at 68%. This is an indication that either some purchases are not getting properly booked and put into the system or the beginning inventory was incorrect. We were unable to make connection with the forum of the predecessor auditors. They didn't return our calls or e-mails, because we'd liked to have seen their work papers and then find out what they may have tested or hadn't tested to come up with those ending inventories. So having not been able to get that, we could only assume that possibly those beginning

inventories were off. As we go this year and we do the inventories and take a look at it, we'll have a better idea of what's happening or if there's a problem with maybe some purchases not running through the system. So that was the first item we commented on.

The second item, Item No. 4, is really the point of sale system. And we just noticed that it seems very cumbersome. Some of the store managers are not even using it as they should. They kind of circumvent it. It's just very hard and cumbersome. And so we really recommend, first of all, probably taking a look at maybe a simpler and maybe a less expensive system, because it looked like with the changes from operating systems going from XP to 7, there was some additional expense there and causing some problems. And so possibly one of the things this Board could do is probably direct it. Take a look at that and possibly get another system that's easy and that everybody also, too, is trained on and using it. We just found that people were not using the system, and that could be part of the problem, too, with these gross profit percentages being off. One of the things we noticed, up until a couple of years ago your gross profit percentages for the preceding five years were pretty good. Something may have happened in the way things were audited in the past couple years. So, again, with this year we'll be able to take a look at it and see if we get the same results.

The other thing, too, we want to mention is that the current system uses an average cost for the inventory rather than first in-first out. We show in your financial statements as first in-first out, and typically with small stores that's what you do. Average inventory is very complex. It's typical for very large organizations. We kind of ascertain, basically looking at it, that there probably wasn't going to be a material difference. And that's what we're reporting on the financial statements, is there a material difference? Are they fairly misstated or is there a material difference where we need to report or say, hey, we need to make an adjustment? So we don't think it'll be a material, but it's not dead on. And even looking at some of the inventory now this year, we're starting to talk to people as we're getting prepared for the inventory. There could be some issues with just making sure we have the right valuations for everything. So that'll probably be in this year's report, just to kind of like fine tune that. But I think the nice thing about doing an ending inventory, it helps to get our ending numbers fine. Even though during the year if you were to look at it, it may not be accurate for some locations. So that's why this ending inventory is very important so that we know at the end of the year we do have good numbers.

Other than that, that pretty much concludes my comments, but if there are any questions, I'd be glad to take them.

Stoldal: Peter, do you have anything to add (inaudible)?

Barton: I would only add -- Peter Barton for the record -- that the point-of-sale system has been a little vexing for us in terms of procuring the system. The current point-of-sales system is by CAM Data out of Southern California. We use their RetailSTAR product. And when we went out and surveyed the marketplace seven, eight years ago, it was a challenge for us to find a point-of-sale system that could accommodate those stores with small volumes. Our volume is \$100,000 to \$300,000, \$400,000, \$500,000. There are systems made for Walmart,

very vibrant, robust top-end systems, and there are systems that are on the very low end that don't give us the ability to track each inventory item individually.

That market's changed dramatically in the last five or six years. I mean, I go into a bakery in the morning in Carson City and using an iPad he can give me a quote on a catering gig in 30 seconds or less. So the systems are much less expensive, more vibrant today. I'm sorry that Pete Dubé, who's our museum store committee chair, is not here today, because I know Pete's actually out there now and we're looking into the market for point-of-sale systems now with the idea that we would replace the current CAM Data system that's in use in four of the six museum stores that we operate. There's an Intuit product in Lost City and Boulder City, because of the size of the stores they're still using a cash register with a few key codes for their very limited inventory. So we're going to take a look at that over the next few months, come back with a recommendation. Seth, I'm hoping you'll help us with that.

Schorr: Yeah.

Stoldal: I spoke with Pete Dubé and he expresses his sincere apology that he's not able to be here today. But he indicated that with the new committee store members, and we'll get to that, he indicated that he, as you had just indicated, wants to go a little bit slower now that we've got some new members to the committee that can bring that expertise to that, but felt that we did need to move forward with the many opportunities that are out there that weren't there when we went for this a few years ago. So he will be actively involved in that process, as well.

Barton: So it's a much changed marketplace. We recognize there are weaknesses in the RetailSTAR product. When we transitioned from Windows XP to Windows 7 we encountered all sorts of difficulties with it bringing the data over correctly and it could be part of what's behind some of these inconsistencies right now.

Stoldal: I had the same problem with going from Commodore 64 (inaudible). But I'm getting better.

Barton: At the C prompt, enter. So thank you, Michael. I don't know, is there's any other questions?

Stoldal: Comments?

Barton: This is your opportunity.

Vecchio: Could I ask an incredibly naïve question? This is Claudia. Is obtaining that information from the previous auditor necessary for (inaudible)? I don't think that's an option for them to not provide that information if you need it. So if there's something that I can do or something that we can have others who have -- I mean if we need that information, we'll get it. Do we need it?

Bertrand: Well, I think at this point not really.

Vecchio: Okay.

Bertrand: It's kind of passé. I mean it is part of our auditing standards to -- the predecessor is supposed to communicate...

Vecchio: Yeah.

Bertrand: ...with us. Actually, I wouldn't have been able to accept the engagement had I not spoken with the predecessor to the predecessor. And Mary Sonata (sp?) had some great information and everything, as you all know. So if it wasn't for her help, I would not have been able to engage. But I was surprised, I made various attempts, but they are in violation of auditing standards.

Vecchio: Yeah.

Bertrand: And if I felt like it was a real major thing where we couldn't do it, I would have let you guys know and it would be in a qualification of our report letter. But I felt we could work around it. And some of those gross profits, those are small stores, for the most part. So it's going to probably level out this year with some of the changing over of the operating systems and all. It'll be interesting to see how -- we have several factors all happening at the same time, so it'll be interesting to see how it comes out this year.

Vecchio: Okay. Good. Because if we need to, we will get that from those guys.

Stoldal: If not, we thank you for your help and we look forward to resolving both three and four of the gross profit variance and the inventory point-of-sale issue that we had.

I'd like to go ahead and now bring, just as we move around, let's bring Item 13, 16, and 8 together. And 8 is the Collections Committee Report, 13 is the Museum Store Report, and 16, the Committee Appointments. And as far as when I talked to Pete last night, his report is simply stated there under 13-A, on the progress to replace the existing point-of-sale systems that we just got through discussing. And he said that he was excited about the new members of the museum store, and Peter and the folks would move forward on that. And that was really the extent of his report. He did want to remind everybody that for the first time, since he was chair, all of the museum stores in the last quarter made a profit. Low profit, but made a profit.

And just let me go through now with the standing committee Museum Store. The chairman is Pete Dubé. The members are Renee Diamond, Doris Dwyer, Seth Schorr, and Bryan Allison. And their basic objective is to work with the staff to develop high-quality museum stores that extend the education and mission of the museum, promoting attendance, and generating revenue. And each one of these sheets will have the governing authority. Most of the standing committee have a specific NRS responsibility. In this case, it's NRS 381.003 that gives the museum Board specific authority to oversee the museum stores, as well as determining specifically what the stores will sell. I'll make sure that every member of the committee gets that, and Pete will work forward on that.

Another new committee -- or that's not a new committee, is the Membership Committee. This has been in operation before and basically what we need is a report from this committee as the Board has, again, a statutory requirement under 381.0045 to establish categories of and fees for membership in the institutions, along with the train rides and policies and charges for use of the property. This committee consists of Seth Schorr as the chairman, Bryan Allison and Janice Pine, and they'll come back with just really a status report and any recommendations by December on any changes gathering all that information.

Another committee that is chaired by Dan Markoff, with Renee Diamond and Pete Dubé as members, and that's the standing committee on facilities and equipment use, rental, and lease. Again, another statutory requirement of the Board to establish the fees and charges for use of any of the properties. And in addition to the seven museums that we have, including the Historical Society, there are other places that we have that are being used by either outside agencies or by the general public, private, or nonprofit, and that includes the Capitol Building. We have an exhibit there and if you haven't seen that exhibit, you need to take a look at it, because it's going to change within the next year. It hasn't changed since 1986. And it celebrates the Judiciary, the Executive branch, the Assembly and the Senate. And it's in the Senate side. The other side of the Assembly is a large wonderful meeting area and in between is the Judicial, which, by the way, is being used by the Supreme Court now while -- more information than you need, but I got it, so I'll give it to you -- they're fixing the bathrooms in the Supreme Court, so they've got to use the old building to do some work over there.

But, again, I'll send this out to -- and each one of these facilities has a unique piece of administration. The Governor's Office, in a sense, oversees the Capitol area, the old Capitol, correct? In the sense of facility charges and booking it.

- Barton: The old Assembly chamber is available for government entities first and then cascading down in priorities for the public. The space is managed, in terms of booking, through the Nevada State Museum in an unfunded mandate that came their way. The policy for that use is set by the Governor's Office, and the fees that are generated do not come to the museums. They go to State Building and Grounds as a responsibility for the state.
- Stoldal: We're going to look at three things in there. We're going to look at updating the exhibits and trying to clean up a little bit of the sort of convoluted, confusing structure that that is there and see if we can make it a little bit more operational. We also have -- I'm sorry, Renee Diamond.
- Diamond: Renee Diamond for the record. It's always annoyed me all these years that we don't count the Capitol tour numbers. We don't include them in your reports and it always says we don't have them. And that always seemed to me -- I know it's difficult because many people are going in the building. You can't just count everybody that goes in. They're just going in for business. But the question is do we overtly, other than booking events, do we have any hands-on thing when people go up to the old Assembly chambers and view things or...

Barmore: Yeah, this is Jim Barmore. We manage the use of that whole level of the floor in terms of the Assembly, Supreme Court, and the (inaudible) there. We have the exhibit, as mentioned, in the south end of the old Senate chamber and we have other things in the hallway there. And so other than just scheduling (inaudible) we do keep track of all of our attendance at the Capitol. It's just not showing up in the report. We have a number of things that we track in other areas. I just want to make sure you are assured...

Diamond: Okay.

Stoldal: I think what you're going to see is one of the recommendations that's going to come out of this whole opportunity for improvement is some additional information in our report.

Diamond: Okay. Because if it wasn't going to be forthcoming, I wanted to see it happen, because it seems like we're -- the thing we do less well, not worse, but less well than anything else we do is blowing our own horn. And I know how much time it takes.

Stoldal: And it's unfunded. There is no budget for it. So we need to bring it forward, shed some light on it, improve it, fix it, and deal with that. So that's something that we'll be working on in the backside there. The Strategic Committee, we talked about that. That'll be a committee of the whole, and you'll start getting information on that and a more detailed plan will be worked out with that. The Storage Committee, you have a report. I presume everybody has a copy of that report.

Barton: They will momentarily.

Stoldal: The report is an interim report of what's taken place since the last, I think, 148-page report that we sent out. This one is only about seven or eight pages. The committee was charged by the full Board to investigate reports of substandard conditions, both in space and the care of artifacts at each of the facilities within the Nevada State Museum system. The members include myself, Alicia Barber, Doris Dwyer, and Dan Markoff. The subcommittee, in order to fulfill its mission, will issue a report at each of the Board meetings, quarterly meetings, as well as all public meetings between the regular Board meetings. And between now and the September meeting, we will have visited each of the facilities, including Lost City, to present a detailed report on the status of each of these facilities. They all have unique challenges and really some significant opportunities for improvement.

We also still have a work in progress at the NDOT facility. And Peter or Jim, if you could bring us up to date. This facility, that Risk Management said don't go in there and touch anything, it has a potential hazardous condition. Where do we stand now? Are we allowed to get in there yet? Have they gone in and cleaned it up? What's going to go on there?

Barmore: Jim Barmore, Nevada State Museum. The cleaning will begin this coming Monday. So Risk Management money, I understand, through Public Works that Peter arranged, is hiring a contract specialist that will go in. We're all ready. They'll start at one end and go all the way through cleaning artifacts, some exhibit props and floors, which will make it more accessible for staff to go in. And it's starting (inaudible), so it's...

Stoldal: The material that's over there, four things will happen with it. Some of the material are not artifacts. And I think, Jim, you indicated that the good news is you roughly estimated that 25% of what's there is non-artifactual material.

Barmore: Yeah, Jim Barmore. I was surprised. Actually, it was so jammed in there you really couldn't tell what was there, but we've got in there a lot of exhibit crates that hadn't been used in years, building materials, props that are outdated design we'll never use again. I think it's about 25%.

Stoldal: And that's good news. Some of the stuff will be moved over to Indian Hills, potentially with another stop at the main building, the Nevada State Museum Building. Some material will be deaccessioned and then some -- I think that you're going to take some of those shelves back. Are you still going to do that, to the Historical Society?

Hayes-Zorn: This is Sherry Hayes-Zorn for the record. Yeah, the metal shelves we have to discuss, but those are -- I don't have space, but they are things that, as we kind of do some shifting on our compact shelving, I'll be able to integrate those. But I do have other materials that we will be returning back on-site.

Stoldal: So moving forward with a problem and being resolved doesn't completely resolve any of the issues at the Indian Hills or the fact that we had to close a gallery to where we're putting some of the material, which you'll turn into a sort of behind-the-scenes display. So we'll have another report as we come back.

In the back of this one, you'll see a report from one of the members, Dan Markoff, of the challenges that we face at Boulder City with the cars that are outside. And one of the challenges is that we are, in fact, a state agency and we are not a private business where we may be able to go out and buy what he suggested on the second page of the report, a shed for \$50,000. We can't do that. We've got to bring Public Works in and it has to meet their standards. And so there's some other challenges, but we will continue to look at the opportunities we have in each of these facilities and present a report back to the Board no later than -- well, we'll do something in September and then again in our December meeting.

Doris, did you want to add anything or Alicia?

Barber: No, you did a nice job with that. Thank you.

Dwyer: I have a question, but I don't think it necessarily pertains to this.

Dwyer: My question is that the subcommittee or members will be visiting each facility. Are we volunteering or assigning for particular facilities or...

Stoldal: I think that we could...

Dwyer: Because we have to do it individually, huh?

Stoldal: Yes. The Chair will impose a dictatorial power and assign...

Dwyer: (Inaudible) at your command.

Stoldal: Something so you won't have to travel too far, unless you want to go to Lost City. Any other questions?

Dwyer: I would love to go to Lost City.

Stoldal: Okay.

Dwyer: Actually, I would, because now I'm going to have time on my hands (inaudible).

Stoldal: I think what the Chair will do is we'll have Peter send out a request of which facilities that you'd each like to visit and then send it back to Peter, and we can go from there, since there are seven. Peter, anything you want to add so far?

Peter: Unh-unh.

Stoldal: Okay. The last one is our new committee on prisons. The standing committee is the chair is Alicia Barber. The members are Bryan Allison, Sarah, Doris, and Seth are on that committee under the Nevada -- was it AB 270?

Dwyer: 377.

Stoldal: 377. The State Museum Board has some functions. We have overall advisory function. We are the State Museum Board, and I've been reading a number of reports out of the Reno newspapers that a museum is going to be opened there. And it seems to be that it's going to be opened quickly and it's already been funded. And I'm kind of confused as to where all that funding is going to come from and when it's going to open. But that's the committee, and the first goal is that we have -- and I think that's an Agenda item, Peter, if I'm not mistaken, that we need to adopt a -- or is that under -- I think that's under Item 10-D, Discussion and action on creation of new budget account, Nevada State Prison Trust Fund. Did you want to take us forward on that?

Barton: And we've got a number of members of the Prison Preservation Society.

Stoldal: Oh, welcome.

Barton: We've got the president, Glen Whorton, Brian, and Maurice White, Tom Porada. So your whole executive committee is here.

Stoldal: Well, that's great. It's wonderful.

Barton: But AB 377, which passed and enacted July 1st, requires under Section 8, and I'll just read you the digest version of this. "Existing law requires the Board of Museums and History create and administer the Division of Museums and History dedicated trust funds under NRS 381, 31, and 33. Section 8 of the bill requires the Board to create a similar trust fund for the deposit of certain money that becomes available from grants, donations, and gifts to be used for further study in development of the historic property of the prison. Section 8 requires that the trust fund be administered by the Board in consultation with the state agency to which the property is assigned," right now that's the Department of Corrections, "and the Nevada State Prison Preservation Society or its successor."

So since we don't meet again until September, I thought it prudent that we at least get this fund created, because there's some activities underway or soon to be underway at the prison which could generate revenue that could be accepted into this fund. So we went ahead and went through the painful process of establishing a new budget account in the state system, which isn't as simple as one might hope, and were actually successful in getting a consecutively numbered account so it fits in with our series. So we're establishing budget account 5040, which is titled the Nevada State Prison Trust Fund, pursuant to AB 377 of the 78th General Legislative Session, enrolled as Chapter 255 effective July 1, 2015.

Stoldal: Okay. Have we all read AB 377?

Barton: Well, it's circuitous.

Stoldal: Circuitous is really a diplomatic word. I read it three or four times and I get a sense of it. Where does money come from for the fund that we just created?

Hutchins: Mr. Chairman, would you like us to say something about that?

Stoldal: Sure.

Barton: Absolutely.

Stoldal: For the record, just identify yourself.

Hutchins: Okay. Thank you, Peter. I know he was going to explain this to you. He's just got it up here in his head and he was ready to go. It's just such a simple thing for him. I'm Brian Hutchins. I'm counsel for the Nevada State Prison Preservation Society. I'm here with the president, Glen Whorton, who's a former director of the Department of Corrections. Tom Porada is vice president, sitting over here, for the NSPPS, and Maurice White is one of our board members, as well. So we thought we'd come and introduce ourselves and get to know you. And, Peter, how much money did you put into that trust account?

Barton: We have our fiscal person -- you need to get to know Ms. Carrie Edlefsen, who can tell you that was created with a zero balance.

- Hutchins: Oh, well, we're a little disappointed in that. But we have high hopes for the prison and I think Glen could probably tell you some stuff about it and the funds. There are three funds that are essentially established in the bill and only one of which is the one under your jurisdiction, the trust fund that we hope is going to have an awful lot of money in it very shortly. Glen could probably give you a little quick background if you don't mind, Mr. Chairman, of what the Society plans in the near future and with this entity.
- Stoldal: Well, I think the answer is yes. If I could sort of direct it, some of the concerns that we have, and it's really based on lack of knowledge. I mean I've read this report a couple of times myself and it's almost like a wonderful wish list of things that we would really love to -- and if I had \$200 million, I'd invest in the Indian school, the prison, and the V&T and make Carson City the tourist capital of the world. But we don't have that, and so some reality needs to be put on each one of these. But I've been reading in the papers that there's a museum that's going to open at the state prison and has already been funded and send us in your artifacts.
- Whorton: This is Glen Whorton. I'm the president of the association. I think that points out the problem of reading newspapers and dealing with reporters, because one thing that we absolutely understand and we try to emphasize to individuals is that this is the long game. That this is not going to happen overnight. It cannot happen overnight. There's no monies appropriated for this. Frankly, what we have is the authority to accept monies and generating some of that and having a place for it to go. And I'm not for sure about everybody's experience in dealing with the legislature, but if there is found money in the State of Nevada, it will wind up in the General Fund, and we do not want that to happen.
- We want money that's generated from the use of the facility, either the modern portion or the historic portion, to be guaranteed for the use of development of the institution. So, again, we know that this is not happening overnight and our board is working very hard every single day. But even at that, we know that it's -- we hope to see it in our lifetime. Our fear is that the prison, the facility, the structure would be lost to the State of Nevada in a way similar to the V&T Roundhouse. And we believe that would be a terrible loss, considering that the quarry that the prison sits on was a source of most of the major buildings in Carson City that are on the historic register, that it has a significant political history, social history, economic history, architectural history, all of those things, and prehistory. So there's a lot to be done, a lot to be preserved out there.
- Frankly, the institution is too large to serve as a museum in its totality. We really see it and if you read AB 377, you'll see that there's an assumption in there of two parts. There's the modern part, we call it The Hill, and then there's the lower yard or the more historic area. So our assumption is that that modern portion will be operated by the Silver State Industries component of the Nevada Department of Corrections. That was done because Silver State has extensive experience of dealing with private enterprise on state property. So they have those contractual formats and things and experience that they can use to generate profits for the state and for the preservation of the institution.

What we passed around -- and, Mr. Chairman, you're absolutely correct when you talk about how complex this is. This is a chart that Brian, myself, and Tom worked on for two weeks trying to understand this thing right in the middle of the session. And the lower third of this document shows the fund that you're concerned with today. So fortunately, you've got a very simple task here in terms of managing this. It's the other two, the Silver State Industries fund and the fund that's going to be operated by the people that operate the historic part. That's where the complexity is.

Stoldal: But I'd also like to have legal counsel, and if I could ask you to really clarify something. Where it says, "that the Board," and the board here is defined as the Museum Board, "the Board will act in consultation." And this is not under the fund that we've created, it's under a different fund. So it seems to me that the Board, we've got a couple of responsibilities, not just limited to creating this fund. Now, is that how you're reading this?

Hutchins: I'm not sure which part you're talking about.

Stoldal: Go to the top of 5, where it says, "In consultation with the Board and the Nevada State Prison or its successor." And then you sort of backtrack that and it talks about the Silver State Industries Endowment Fund.

Barton: Section 7, I think, of the bill. Section 6.

Whorton: Section 6?

Stoldal: Yeah, actually it's Section 6. Correct.

Barton: Section 6, items -- it looks like 4, I think is what you're looking at, subsection 4.

Stoldal: Yeah, subsection 4 .

Hutchins: No, this is the endowment fund here.

Whorton: Yeah, this is an endowment fund that's created and it's going to be administered by the agency that has responsibility for the historic section of the institution. Now...

Stoldal: Except right here it says, "in consultation with the Board, the Museum Board.

Hutchins: I think the idea, Mr. Chairman, was that the drafters and the legislature want all of these entities essentially to work together, get their heads together on what are the priorities going to be out there and how can each of these entities help one another. I think that's the consultation that they're asking for in that paragraph. But as far as your own responsibilities, that's going to be the trust fund, but we wanted to bring you in and be in consultation with the Society and with all the others that are going to be operating out there.

Stoldal: I get that, except that's a different segment. This is Section 6...

Hutchins: Right.

Stoldal: ...and specifically deals with...

Hutchins: The endowment fund.

Stoldal: ...the endowment fund, and it says, "The fund is going to be administered by the agency," whatever agency that is this Board, and this is different than the fund we create.

Hutchins: Correct.

Stoldal: So it sounds like we've got two distinct responsibilities. All I'm trying is to get this Board prepared for whatever those responsibilities are.

Whorton: You're responsibility in terms of the endowment fund is advisory.

Hutchins: Advisory, consultations as to what they should do, because the idea behind this is that several entities are going to decide what's going to happen to different portions of the buildings.

Stoldal: "Then legal counsel," this says, then you're just advisory, as well.

Hutchins: Yes. Yeah.

Stoldal: Because it says here "the Board, us and the Nevada State Prison Preservation Society."

Hutchins: Correct.

Whorton: That's right.

Stoldal: So what's the legal definition of consultation?

Rasul: Well, I mean basically it comes down to what they're saying. It translates into being advisory in nature. I don't think you will be taking any action or have any control over anything, just more of discussions.

Hutchins: Correct.

Whorton: Now, the first part of this bill talks about -- it defines a process for you, assignment of responsibility for the institution. That may be to museums, it may be to parks, or maybe to Silver State Industries. We don't know.

Stoldal: Oh, I understand that part.

Whorton: But whatever that is...

Stoldal: But in order for a consultation, in order for us to live up to our NRS fiduciary responsibility, how does this Board consult even if it's just an advisory? Do we have to meet and when they present whatever the spending process they're going to use, will they have to formally consult with us or is this just an informal process? And then do we vote on it and if we say, no, don't spend that money that way, spend it on Building 6, does that carry any weight or is it just advisory? So there's parts of this thing that is really not crystal clear to me, and I read it over 15 times and I probably should have stopped at 10.

Hutchins: Or five.

Stoldal: Or one. But the second part, what's on our Agenda, is real clear, we create the fund and that's to accept -- as you say, to accept money. I'm sorry.

Rasul: Oh, no, I was just going to say that because it says "board," I would err on the side caution and say that it would be more formal discussion...

Stoldal: Okay.

Rasul: ...the Board as a whole. I believe that maybe you would want to ask Sarah to look into the legislative intent and discussions regarding the development and finalization of the bill regarding the advisory or consulting nature more further. And because it's something that's - it seems like it's now just developing and something new, you kind of want to get your ducks in a row and just involve your legal counsel, Sarah...

Stoldal: Okay.

Rasul: ...in how you would develop the thought process and how you would go about forming that part of the statute.

Stoldal: Well, and if you could take me through where -- because I read it as a member, by the way, of the Nevada State Prison Preservation Society, dues paying member. I get the...

Hutchins: Right.

Stoldal: ...Talk On The Yard. You had a meeting on June the 11th?

Barton: No.

Stoldal: Well, according to this, it says you were going to meet on June the 11th to discuss the next step.

Whorton: Oh, the board did -- that was a planning session (inaudible).

Stoldal: What's the next steps you see as far as the Society? What's the next step you see the state's going to take?

Hutchins: Mr. Chairman, if you don't mind, could I first address the question you had about consultation, and then we'd be happy to answer the question you just now raised? But as far as how the intent came about on this bill, you're looking at the intent right here in this room with Peter, myself, and -- what's your name -- Glen and the State Lands Division. We were all consulting and writing this bill.

Stoldal: Okay.

Hutchins: So this is where the intent is right here. And I think Peter and I and Glen and State Lands just want to make sure that everybody's talking to one another. I don't know that any formality was thought of or required in our minds. And Peter can clarify that for you here. But we just want to make sure we're all talking and getting some knowledge from one another and experience, and that's what we would like for the new board, is that. And I don't have the pleasure of knowing (inaudible).

Stoldal: I just get nervous when I actually see in NRS and it says we're going to consult. I needed to know what to do. This Board needs to know what to do.

Rasul: For the record, Senior Deputy Attorney Henna Rasul. I'm not (inaudible), but I'm sitting in place of Sarah Bradley, who is their assigned DAG.

Hutchins: Right.

Rasul: I'm not sure if there was intent that it was going to be formal discussions in nature. There's a possibility that the board could designate Peter to consult on their behalf, but that's something that could be entertained.

Hutchins: Sure.

Rasul: But, again, I think that that's something that needs to be discussed with Sarah, on how to go forward.

Hutchins: That's fine. And we're willing to work with you on anything we can. We know you're going to have the trust fund. We'd like to work with you on the trust fund, and you might as well be involved in the rest of the things that are going on so that it can all be coordinated. And (inaudible).

Stoldal: Yeah, I just want to make sure...

Hutchins: But as far as ultimate formality, I don't think it was really necessary in our minds that it be really totally formal, but that we want basic consultation and working together. Is that how you see it, Peter?

Barton: Yeah, I mean I'm thinking that the word "board" in there in that particular section was vested before we put the amendment in that we just didn't clean up, quite frankly. But when we saw the bill initially, it looked like the funding structure would seriously hamper the ability

for anyone -- I mean you're using only the interest from small endowment funds to fund the operation, the maintenance, whatever takes place. So creating the trust fund, much like we do for museums, enables us to receive nonfederal grants and administer them and spend them and not just spend whatever interest or the endowment side of it is spun off. So that's really where the third fund came from and I think that that reference to board is just something we missed in the final clean-up. You probably don't have an interest or role at this point, at least, in how that fund is administered.

Hutchins: But if we know how you're going to spend all these wonderful millions of dollars that you're getting in the trust, and we don't have to spend those in the...

Barton: Right.

Hutchins: ...other funds (inaudible) so forth that we're going to be spending. So if we know that, that's great.

Stoldal: Yeah, again, to wrap up this part of it, I think it's important that we get some legal, whether it's the legislation is in error and it was left over or whether somebody really wanted to the Board to have some role in it. We just need some legal advice from the LCB or the Attorney General's Office on what the Board's role is and then we move forward. So I think until we get that, the thing that we know we have to do for sure is create the fund. Did we vote on that, by the way?

Diamond: No.

Stoldal: No. So why don't we go ahead and vote on that, because that's just a matter of the NRS, and let's take care of that piece of business that we're required to do. All the requirement is to create a fund, right?

Barton: Right.

Pine: This is Janice Pine. Do we have to vote on it if we're mandated by the legislature to do it?

Rasul: You could. I mean I would recommend that you do just to formalize it at a Board meeting in an open meeting.

Stoldal: Okay.

Pine: Okay. I'll so move.

Diamond: Renee Diamond. Second.

Ostrovsky: Mr. Chairman, it's a dedicated fund so it would remain in the Treasurer's Office. It's not an investment fund; is that correct?

Barton: That's correct.

Ostrovsky: So I'd like that to be indicated in the motion that it's in the dedicated trust fund portion, which is managed by the Treasurer's Office. So we're not investing that money the way we do the other private funds. We want to make sure where it is.

Pine: I accept that amendment. The dedicated fund in the Treasurer's Office.

Diamond: Second. I accept it, as well. Renee Diamond.

Stoldal: There's nobody in Las Vegas -- well, I'm sorry, there's somebody in Las Vegas, but no general public. Any comments from Las Vegas?

Barlow: None.

Stoldal: Hearing none, any comments from Las Vegas -- excuse me, Reno? Any questions from the Board?

Female: Can you restate the motion?

Stoldal: Yes, I can. Janice.

Pine: We are complying with the order of -- what's the bill number?

Ostrovsky: AB 377.

Pine: AB 377 of the 2015 legislature, which requires that this Board create a trust fund in the Treasurer's office for the Nevada State Prison Preservation Society or...

Stoldal: I don't think it's for the Society, and so...

Pine: It's for the preservation of the Nevada State Prison.

Stoldal: Right.

Pine: Okay.

Stoldal: And the second was from?

Diamond: Second. No, no.

Stoldal: Okay.

Diamond: Second says sure.

Stoldal: Okay. Questions?

Barber: I have a question, yeah. So if this fund is specifically to be used only for the further study and development of the historic structures, buildings, and other property of the Nevada State Prison, does any money that goes toward those purposes have to come into this fund or is there separate money somewhere else that wanted to be used for historic structures could just be used separately?

Stoldal: The way I read it, and we've got two legal counsels here, the way I read it was the other funds can do pretty much the same thing.

Barber: Okay. So there's no, then, kind of determining process that goes along with administering this fund that has a hand in trying to, in some way, be involved in decisions that are made about the study and development of the historic structures? It doesn't accompany any...

Stoldal: The way I read that this Board had a consultation role in one of the other funds and we had a specific role with the fund we created. It seems to be there's three funds that are in there; is that correct?

Whorton: That's correct. And you've stated it correctly.

Stoldal: Okay. And one is it says, "The Board has a consultation role along with the Preservation Society," but that may be a leftover, but it's in the law now. And then the third one was the fund that we create and then that's also spent in consultation with the Preservation Society.

Ostrovsky: Yeah, Mr. Chairman, I just want to make sure I'm clear and I understand what that bill says. That bill also says it's yet to be determined who is going to operate this property, whether it's going to be State Parks, whether it's going to be Cultural Affairs. That's yet to be determined. And...

Stoldal: I was thinking the Art Council.

Ostrovsky: Wherever it ends up.

Stoldal: Graffiti.

Ostrovsky: So there is a chance that we could be the controlling body. That could happen. I mean I don't think it will, because I think these folks are right, a lot of it's going to be, I think, park. But there may be a museum element that's included in there. So it's going to get a little dicey, because I can tell you as chairman of the Finance Committee, I'm happy to set up the account and have the money come in, but they're going to have a tough time spending it over my signature unless somebody gives me proper authorization from some state agency or some other methodology that the AG's Office and the legislative auditors are going to accept before we spend any of that money.

Stoldal: To spend any of the money that we don't have yet.

Ostrovsky: We have zero at the moment.

Stoldal: So all these things need to be cleaned up and worked out. And we don't have a complete yes or no answer to the question. And so right now the next step is up to who. Who's going to step up to move the ball forward under the statute?

Diamond: Excuse me, I'm calling for the question.

Stoldal: Oh, I'm sorry.

Diamond: We have a motion (inaudible)?

Stoldal: Any further comments? Hearing none, all those in favor say aye.

Group: **Aye.**

Stoldal: **Those opposed? Motion carries. We now have a trust fund. All right.** We can move...

Whorton: Thank you.

Ostrovsky: I'm trying to remember, Mr. Chairman, if we could ask our guests -- I'm trying to remember from the bill. I was there at the hearing and testified. Who's going to make that decision in the end about what the elements are going to be. Is it going to be State Lands or...

Whorton: No. The first part of the bill talks about a process to assign that responsibility, and it engages your group, Cultural Affairs, State Lands, Department of Corrections, the Preservation Society. Everybody gets together. But ultimately the decision is going to be State Lands. And if you read the bill, obviously it assumes the modern portion and the historic portion. It also assumes, by virtue of the way it establishes the trust funds, that the modern portion will be assigned to the Silver State Industries. But, again, there are those opportunities it could be Cultural Affairs. It could be Parks. It could be Silver State Industries. They might perhaps run it as a prison.

So there are options there, but that is yet to be determined and that is the next step, because what happens is going to depend upon who's going to have responsibility for the property. We are making our plans in terms of supporting a museum, in terms of acquiring artifacts, photographs, literature, documents. We would like to start -- we basically have a vision of a fully-featured museum that would include artifacts, tours, media presentations, library, all of those kinds of things. An active facility. So our movement is towards facilitating that, gathering those things, and being whatever financial and physical help we can be to bringing this to fruition.

Stoldal: Crystal ball for me in your best-case scenario. Two years, three years, five years that you would hope to see a museum open.

Whorton: I'll tell you, the Department of Corrections is going to maintain control over that property probably for the better part of the next two years by virtue of the fact that the execution suite

that exists on that property is still in use. We do not have access to that. They will allow no access to that.

Stoldal: Suite?

Whorton: It's a suite in the sense that there are cells, there's -- well, it's really an interesting area. There are cells. There's an execution room. There's a viewing area. It's a whole other complex in the institution. So they're going to maintain that until they get their new one built at the Ely State Prison. Now, they did receive a Public Works Board appropriation for the construction at an outrageous amount of almost \$900,000, which is mindboggling to any citizen. But that's what you get when you're dealing with Public Works. So good luck for yourselves. But...

Stoldal: So that's two years?

Whorton: ...we believe that we can -- we have a really good relationship with the Department of Corrections at this point. We have a major event coming at the end of this month on June 29th. We foresee that during this interim and not in the very far future, easily within the next six months, we would like to begin conducting public tours through that. We are going to charge for those tours and with that we hope to provide seed money for that fund that you have just created. We are a nonprofit and we believe that our resources will go to preserving and developing that, which means going to that fund. We believe that that fund is a place to deposit general gifts from whomever or grants, as well as specific directed projects; rebuilding stairs or a handicap ramp or covering a drainage area or whatever. Yes, ma'am.

Diamond: This is Renee Diamond. So do you have legislative authority to do all the things you just said; build, charge, collect?

Whorton: We do. There is a...

Diamond: I didn't read the bill.

Whorton: ...an element of the bill, the last part...

Diamond: I have a life. I didn't read the bill.

Whorton: Yeah. The last part of the bill assumes that we are going to be involved and allows the state to contract with us. Really, the property is under the control of the Department of Corrections, the executive branch. And so far every branch that we've dealt with is very cooperative in terms of allowing us that access and understands what our mandate is and what we're going to do with that money.

Diamond: This is Renee Diamond again. I vaguely remember when the Railroad Museum in Boulder City got started, and it was two legislators, Danny Thompson and Jack Jeffery, may he rest in peace, who got together and we used to laugh about it in the 89th session about the boys

and their toys. And like this, it didn't have a whole lot of authority to begin with and then like Topsy it just grew. And I think you have even less authority for specifics than they had.

Stoldal: Let me just jump in here. When I read the newsletter, I said oh, this is great. Uh-oh. Now I got nervous because -- and I think you used the word "grooming." You're grooming the site for this concert you're going to have on the 29th of this month. And part of the grooming was taking down a door or some cells or something. There's a couple of photographs that are in there. And I said oh, lord, this is still before the National Register of Historic Places and they're taking this place apart.

Whorton: No, actually what we did -- there was a major remodel done in the facility in the 1980s, and the reality is in that particular instance there was a steel plate that was welded over a sally port entryway and all we did was take down the steel plate.

Stoldal: I know. But did we get a hold of SHPO? Did we let anybody know that -- okay.

Whorton: I have to tell you...

Stoldal: Alicia.

Whorton: ...if we're going to deal on one of those issues where unlocking a door or washing cells or anything like -- if we're going to have those kinds of obstacles, then I can pretty much guarantee that there's not going to be any public contribution to this, because that's just the kind of thing that people in business and in the community don't like. The reality is most of the grooming is filling holes...

Stoldal: I get it, but we've got a gentleman over here that suggests we can protect our railroad cars in Boulder City by going out and buying \$50,000 sheds. We can't do that. We've got to go through Public Works. We've got to deal with the same challenges that I think you really are going to start coming up really into a spot that you're going to have to slow down to some degree, but...

Hutchins: The Society has been advised of those kinds of things.

Whorton: Yeah, and we're in contact...

Stoldal: Okay. No, that's great because I mean the last thing we need is a giant stumble and we have people as crosshairs. Alicia.

Barber: Yeah...

Whorton: We've been in contact with Public Works and the state fire marshal, the local fire department, the local police. I mean we've -- SHPO. SHPO was part of our planning effort on AB 265. This document that you see over here was two years of effort, and all of those individuals were directly involved. So we're not out in the cold, so to speak.

Stoldal: Okay.

Barber: Yeah, Alicia Barber. I just want to encourage you, though, I mean if you're doing even removal -- I mean we're just having a similar situation in Reno at the El Cortez Hotel, which is a 1931 hotel. And there was a whole awning that had been placed on after the period of historical significance. And so removing it was something the owners wanted to do, which the Historical Resources Commission approved of but really wanted to make sure it was done so carefully as not to impact the historic part of the structure that was below it. And there are just simple procedures for doing that. I just think whatever -- it would be a good idea, especially since the National Register listing hasn't even been approved yet, to just consult, just a phone call. But sort of if you're doing something that would affect the historic component of the structure, it would be a very good idea to consult with the SHPO.

Whorton: Yeah, and I guess I'm a little bit confused about that now, because Rebecca Palmer has told us repeatedly that assignment to the National Register has no influence on what happens to the property to the point where the owner of the property could actually demolish it. In the sense...

Barber: I'm not telling you that you have to. I'm saying it would be a very nice...

Whorton: Oh, okay.

Barber: ...gesture if you did that. That could actually help protect that resource and that's what they're there for. So I just kind of wanted to suggest that.

Stoldal: And I suspect that the City of Carson City is also asking SHPO for some funding money for some inventory and some additional studies.

Whorton: That's exactly correct.

Stoldal: And so I'm just thinking if we're all playing in the same field, we ought to talk more. And I think you already got it. I think you already understand what's going on.

Cowie: Just real quick.

Stoldal: Yes.

Cowie: Sarah Cowie for the record. Just to sort of throw this in there too, when we're talking about trying to protect the structures. Just to remember the landscape too needs to be protected, as well, and any sort of ground disturbance activities, it might also be worth a call to SHPO just to sort of get their opinions on it.

Whorton: Okay. And I guess it's also...

Cowie: And I've heard it said that maybe the components of the site and landscape prior to 1920 doesn't have a lot of integrity because it's been pushed around. But as an archeologist, I know it's also still very (inaudible). So it's just worth thinking about.

Whorton: Frankly, if you look at what was there in the '20s, '30s, even through the '60s and '70s, that does not exist. Even the stuff that was there when the institution was closed is being degraded by virtue of the fact that there is no water. Also by the fact that the state has extremely limited resources in terms of preserving that. They have budgeted a half-time maintenance man, but the reality is that he spends his entire time working on the Warm Springs Correctional Center. We have, by virtue of our contact, at least got them to go in there and mow down waist-high weeds that have grown up in place of the grass, so...

Barber: No, I think you're talking about different kinds of landscape actually, and that's not what Dr. Cowie is talking about. If you want to just...

Cowie: Yeah, the vegetation, yeah, that can be maintained. Obviously, that's not going to have an impact on archeological resources. I mean...

Whorton: Oh no, no, no.

Cowie: ...pushing dirt around, digging ditches, replacing pipelines. Anything that would get into the dirt, that could damage archeological resources.

Whorton: Yeah, we don't have that kind of resource.

Stoldal: I guess what we're just hearing, what this -- what you have done has brought that prison up and said this place is going to be saved. That's what your society has done...

Whorton: Right.

Stoldal: ...and got legislation passed. Now it becomes a different ballgame. It's more than just you guys chaining yourselves saying hell no, we're going to keep this place. Now we've got to deal with all of the agencies. And trust me, this group has had to go through this with a lot of facilities, whether it's Boulder City or Lost City or whatever. You just want them just to get the hell out of -- you want them just to go away for a while. But the fact is we've got to deal with them, and most of them have the same good intent. They want to preserve something, want to take care of something. And SHPO, I think, was really instrumental in getting this National Register written and sent.

Whorton: Oh yeah.

Stoldal: I mean that was a lot of work that they took on themselves. And it's a pretty solid document. But you already sound like you know what we're talking about.

Hutchins: Well, this is Brian Hutchins. And Mr. Chairman, thank you. By what you've just done with this discussion, you've already fulfilled part of the requirements for consultation. And we appreciate that.

Whorton: Actually, we do invite any of those agencies that are interested to come and participate and do this. In some cases, it's hard to get that. And I don't know why, and I guess maybe to some degree the prison is seen as an undeserving facility or unimportant to the state. And when the reality is it was actually the birth place of Nevada politics. On that property between the corner of the admin building and the gatehouse, that's where the Warm Springs Hotel existed. And it's the first agency in the state, first agency in the territory, and a lot has gone on out there. So we have invited folks and hope that we actually have more participation. And maybe by virtue of this legislative mandate, we'll get some of that.

Stoldal: How far back do these go?

Whorton: That belongs to the (inaudible).

Stoldal: I know. I know.

Male: Is that one of our (inaudible)?

Whorton: Yes, it is.

Male: That goes back to (inaudible).

Stoldal: (Inaudible) the name on it.

Ostrovsky: Mr. Chairman, I just -- what are you guys doing out there?

Whorton: It's George Sumner.

Male: (Inaudible) what that is.

Hutchins: This is Brian Hutchins. There is an event that is June...

Whorton: June 29th.

Hutchins: ...29th that Carson City Chamber of Commerce has made arrangements basically with the Department of Corrections to have an event there for a celebration of their 70th anniversary. So they're pretty much in charge. It's their event. We're facilitating that as well. But the prison society doesn't take effect...

Ostrovsky: I just wondered who was -- who the prison -- who the prison -- what's the name, Department of Corrections made an arrangement with the Chamber.

Whorton: That's correct.

Ostrovsky: Fine. Because the first thing they ask for is Workers' Comp insurance, your liability insurance. The Chamber could provide that. Your association -- you guys couldn't and you probably don't have that in place. But that's what we live with when we try to use any facility for a third-party event. It's like the AG's Office says, well, here's the contract and here's all the requirements, and you've got to meet them if you want to use the public land, right?

Rasul: True. Yes, you do.

Stoldal: So have we covered any (inaudible)?

Whorton: I think so and we're available for question. And we are really looking forward to the input of your agency, because you are the guardians of Nevada's history and you're the guys with the expertise in terms of how this is going to be designed, how it's going to be operated. And we see ourselves as your friends and hopefully your worker bees.

Stoldal: I think to answer to one of your questions, I don't think you're a stepchild. I don't think (inaudible) stepchild. I think what you're dealing with is a lot of state workers that are overworked. They have lots of work to do and one more coming person coming in the door. And this is a major, major -- this is a major...

Whorton: Right.

Stoldal: ...undertaking with lots of different questions. And we just need to move forward and see how we can help become part of the answer.

Whorton: Yeah, and if I could, I would say that the Department of Corrections has been extremely helpful. State Lands has been extremely helpful. They were very supportive. Carson City has been extremely supportive. So the Department of Transportation and their archeological section, they have been very helpful with guidance and working on the draft of the nomination. So we're very grateful for those state employees that are working to help us.

Stoldal: Well, I want to thank this gentleman over here for a recent tour.

Porada: Tom Porada.

Stoldal: Tom, thank you very much.

Porada: You're welcome.

Stoldal: And you got the photograph, right?

Porada: Yes.

Stoldal: Okay.

Whorton: But he doesn't have all the good stories.

Porada: Oh, a lot of good stories there.

Hutchins: We would say one final thing. We talked on the way in, and anything you could do to help us. If you, for instance, know grant writing would be helpful for us and any way to get money into those trust funds would be helpful. We appreciate all your help.

Stoldal: Great. Okay.

Ostrovsky: Thank you.

Stoldal: Thank you. Thank you all for coming. We really appreciate it.

Pine: Good luck.

Whorton: Thank you.

Stoldal: Thank you. Thank you.

Whorton: And I'll also say this. If you are individually or collectively interested in seeing the institution, we're available at your convenience. Weekends, evenings, work days, whatever.

Stoldal: I just want to see the suite.

Male: I have. You don't want to go there. It's about the most creepy place I've ever been to.

Stoldal: So we have covered, for those that are keeping track, Items 1 on the Agenda, 2, 3, 4, 5, 6, parts of 7. We have done 8. We have...

Barton: 10-B, 10-D.

Barton: 10-B.

Barton: 10-B, 11 and 12.

Barton: 13 and 16.

Stoldal: 16. All right.

Barton: So we've got a good ways to go.

Stoldal: We still have quite a ways to go. Let's get back to where the Agenda is, and that's Item No. 7. We took a lunch break at 7-D. Let's return to the Agenda. We're at 7-E, Board Reports,

Museums. And first up is the Nevada Historical Society in Reno, if you want to pull your Agendas out. And this is under Item 7.

Barton: And we'll really just entertain questions if you may have them. I think the reports pretty well speak for themselves. And in the interest of time, we do want to continue to move through the Agenda. We've still got the budgets to deal with. Sherry is here, so questions on the Historical Society?

Stoldal: Were there any more, though, to add about Dan Markoff's question on the OSHA, but I think we may have covered that. Were there anymore that you need to add?

Barton: We have no additional information on that and won't until they take action.

Pine: Janice Pine. However, we're not going to let the request for funding stop. We're going to go to Interim Finance or...

Barton: We have no ability to go to Interim Finance.

Pine: Well, to ask for redirection of funds or -- what are we going to do about getting these things fixed other than putting some cones out and telling people they have to use a battery pack?

Barton: For the record, Peter Barton. I mean that's an excellent question. We don't have the opportunity in the interim to seek anything other than emergency funds out of the contingency fund. Depending on how this comes out, if there is a fine, the process would be that we would go one of two ways. We would either go to Interim Finance and seek the funds from the Statutory Contingency Fund or more likely this would be considered a claim against the state and it would go to the Board of Examiners. And in a public meeting, the Governor and the Board, which consists of the Attorney General and the Secretary of State, would determine whether or not to pay the fine; how to fix the problem, they probably won't address any of that.

Pine: So the next legislative session is two years from now. I guess I have two questions. Does that \$240,000 only fix this if we can find the parts, or does that buy new?

Hayes-Zorn: I can answer that question. This is Sherry, for the record. It actually would upgrade all of the parts and make it contemporary and then we would have a five-year warranty. So it would replace all of the electrical panels, the motors and gears, add an additional sensor to each carriage that was -- I included that because I knew we were having issues, but to what extent I just wasn't sure. So that's also included in there too, so it would give us an additional. And we would then no longer have to worry about the fact that, at this point, at the end of last year, that now they are no longer manufacturing parts for our model. So we would be contemporary, yes.

Pine: And the \$240,000 doesn't address the other side?

Hayes-Zorn: We already took care of that side. That was...

Pine: Okay.

Hayes-Zorn: ...where I had for a quote essentially broken down by sections. One of our volunteers had donated funds with the (Inaudible) Trust and we had asked if she would set aside \$25,000 for that, and that's when I went to the Board a few years ago and asked for the difference. It was \$18,000 to \$19,000 to take care of that. Granted, of course, because we're trying to do it through capital improvement, they add additional costs on top of what the total of what the quote I actually had. So if we could raise the funds, we could go through Systems & Space, the people that we went through, and it would be much cheaper, at this point.

Stoldal: Could you walk through that one more time? I got the first part.

Hayes-Zorn: So right now as a capital improvement they add additional money...

Stoldal: This is for the other half?

Hayes-Zorn: For the other half and that's our library side. That's the library and manuscripts, and that's the larger carriage, two sections of the carriage. And that's the reason for the addition in cost.

Stoldal: And how much money is that costing?

Hayes-Zorn: With the capital improvements, about \$240...

Barton: \$6,000.

Hayes-Zorn: Yes. And so that's...

Stoldal: Is that (inaudible) the \$247,000?

Barton: No, no, no, no.

Hayes-Zorn: No, no.

Barton: We're confusing you now.

Stoldal: Yeah, please. The \$247,000 is to fix the OSHA one.

Barton: The west side.

Hayes-Zorn: The one that's right now...

Barton: The east side is fixed.

Hayes-Zorn: Yes, that side is taken care of.

Stoldal: So the east side is fixed. There is no more cost on that? Done.

Stoldal: And so the \$247,000 includes the capital cost? Got it. Okay. Dan Markoff.

Markoff: Exactly what failed on these things?

Hayes-Zorn: Well, I still don't even know which two aisles, but there are two aisles that truly -- it's the sensors and part of the gears. So literally you can walk -- when you first walk into the carriage unit itself, the sensor lights turn red. But as you start to progress down the aisle, they go back green. So it's not recognizing, at that point, that someone's in there.

Markoff: But what I'm getting at...

Hayes-Zorn: So there's two of them, literally, that if people aren't paying attention you could push the button and it could start to close.

Markoff: Okay. What I'm getting at is it's not the motors that failed?

Hayes-Zorn: No. However, these are almost...

Markoff: It's not the wiring that failed.

Hayes-Zorn: No, but however we have to do the upgrade. There is no -- because the Systems & Space is no longer making even any parts, at this point, and so the system is aged. So I'm sure there are factors in that, as well as of why there are essentially two carriages with...

Markoff: No, I understand...

Hayes-Zorn: ...failure, but...

Markoff: ...but it sounds like you're rewiring and remotoring and recapturing the whole thing.

Hayes-Zorn: Yes, and then it -- yes.

Markoff: And that's not necessary. I mean...

Hayes-Zorn: Yes, it is actually.

Markoff: ...you mean there's somebody out there in this world that doesn't make sensors that you could buy?

Hayes-Zorn: No, it's truly -- the system is too aged for the electrical. We had, for many years, where we were at until about three years ago, they finally upgraded the electrical. We were having brown-outs and other issues and it fried our system. So it's gone through many phases. As you know, part of our safety capital improvement also includes a trench that will be on the

back of the building. The back half of the building was built in '81, and with the ground consistency of clay and sand, the back shifts. And so that has caused buckling to the compact shelving where we've actually had to shave the rails. So there are many factors involved, and literally, at this point, sometimes the whole system just shuts off, until we had our OSHA, where's it's literally locked down.

Markoff: So what you're talking about is buying a whole new electrical and sensor system (inaudible)?

Hayes-Zorn: Yes, and that's part of it. And additional sensors to ensure...

Stoldal: That \$247,000?

Hayes-Zorn: Yes.

Stoldal: I mean it really sounds like you've gone through the (inaudible).

Hayes-Zorn: I really have. That was with the build-up cost with capital improvement, but I know the quote we had gotten from Systems & Space is cheaper right now.

Stoldal: So now if I understand it correctly, that's the number OSHA is going to come out with and they could potentially fine us \$5,000, \$7,000, \$50,000...

Hayes-Zorn: Up to \$70,000, yes.

Stoldal: ...so that would be added on to the cost of...

Hayes-Zorn: Yes.

Stoldal: ...of the \$247,000. That would go to the Board of Examiners, and the Board of Examiners could simply say, okay, we're not going to pay it. We're going to whatever, the fine. But are we saying the Board of Examiners could, in the goodness of their heart, also come up with the \$247,000?

Hayes-Zorn: No.

Stoldal: Okay. So the best that the Board of Examiners is going to do is pay off the fine.

Hayes-Zorn: Just pay for the fines.

Stoldal: Then can we go to IFC? Because this was clearly an emergency. We got fined. I mean it seems that's an opening.

Barton: This is Peter Barton for the record. There is the potential to go to IFC. And it's a crap shoot to know whether they would be in favor of doing this. It's a tough call and I wouldn't try to speculate on that.

Stoldal: But this is one of those things that this could wind very well that we go through the process could wind up back here in the Board having to deal with this issue of a critical situation at the Nevada Historical Society to where -- you know what, we didn't create the fundraising committee.

Ostrovsky: We haven't raised that issue yet. We didn't get to the budgets.

Stoldal: Oh, good. So we still have an opportunity to do it at that point. Okay. Is there any other questions about -- that brings us up to date on that. Peter, do you have anything else? Are we wrapped up on -- okay.

Pine: What about the accreditation issue? Are you going to work on that and make sure everything is -- all the I's are dotted and all the T's are crossed?

Barton: This is Peter Barton for the record. Inadvertently, we didn't agendize that, but we were notified by the American Alliance of Museums that the Historical Society lost accreditation not for any failure of policy. It was a paperwork issue that wasn't submitted in a timely manner. Accreditation's been pulled. You cannot reapply. You're held out for 12 months. So there will be a reapplication process and it's not a reaccreditation at that point, it is a whole certification for accreditation that would occur next year. But it's not an action item, it's information only because it was not agendized.

Ostrovsky: However, Mr. Chairman, it is in the minutes of the Finance Committee meeting which is attached, so...

Ostrovsky: ...clearly stated in here.

Stoldal: So I mean when we do go back for our accreditation, we're going to have to have every T cross and every I dotted.

Barton: It will be a brand new...

Stoldal: Okay. Any other questions about Nevada Historical Society? The Nevada Rangers, who are they?

Markoff: Nevada who?

Stoldal: Nevada Rangers.

Markoff: Rangers?

Hayes-Zorn: Nevada Rangers were created back in 1949, and it was a group of people that -- essentially before our search and rescue for today.

Stoldal: Oh, okay.

Hayes-Zorn: And so a lot of them would ride out to the desert and use horses to help search if there were people lost. And the group was active from 1945 to the mid '70s.

Barton: '70s. Right.

Hayes-Zorn: And so we're really fortunate that we have a complete uniform, their bylaws, the whole -- a lot of the paperwork. So we're very excited about that to be able to create an exhibit display in (inaudible).

Stoldal: On Page 6 of your report, AGA; is AGA a statewide?

Hayes-Zorn: No, that's something that Howard Herz and the Historical Society created which is the American Gaming Archives. Granted, we have gaming history, manufacturing, production, 95% of all of production records from the United States and original pieces that document gaming and also special gaming, as well. And so I mean we actively collect material that represents everything in the United States.

Stoldal: All right. One, two, three, four, the fifth bullet point, "The Society is working the Nevada Women's History Project as they organize their records house at the Society."

Hayes-Zorn: Yes.

Stoldal: This gets back to a bigger question about housing other people's records when we don't have room for our own.

Hayes-Zorn: It's a small collection of 25 boxes that they are giving to the Society. And it essentially is all the research they've done.

Stoldal: They're giving it to us?

Hayes-Zorn: Yes, and the photographs.

Stoldal: So it'll be our stuff?

Barton: Mm-hmm.

Stoldal: Got it. Great. Thank you. So long as it becomes our stuff.

Hayes-Zorn: Yes.

Dwyer: I have a question. I have a question.

Stoldal: Please, Doris.

Dwyer: This is Doris Dwyer for the record. Could you just briefly just talk about what format changes you've made for the History Conference?

Hayes-Zorn: Well, we're still putting some calls out to get a variety of people to submit and we're trying to engage university students, graduate students to have posters -- opportunity to display posters about projects so they don't have to give a whole presentation. And we're also looking at grouping presentations by themes as a panel, a 15-minute presentation. So we're really trying to update it and our hope with the History Conference is to be able to get new content for the quarterly. And so those are some of the new things that we're trying to go forward with.

Dwyer: So we're getting away from the traditional read a paper for 20 minutes?

Hayes-Zorn: Yes.

Dwyer: Good.

Hayes-Zorn: Exactly.

Stoldal: The last page deals with the report on The Quarterly.

Hayes-Zorn: Yes.

Stoldal: Will we be back on Quarterly schedule in 2016?

Hayes-Zorn: Yes.

Stoldal: So we'll have four of them?

Hayes-Zorn: We will approach that bridge in 2016. I don't know how much we have in content. We'll know from the History Conference, and that's something that maybe the Board will talk about; are we going to still be "The Quarterly" or if we want to look at two times a year. It'll be based on content (inaudible)...

Stoldal: (Inaudible).

Hayes-Zorn: So that's the only thing right now, it's based on content because right now we literally are -- we'll have -- the fall/winter 2014 will go to production and be out by the end of August, and then we'll have a single issue of 2015 that will go forward to the publisher.

Stoldal: That's great.

Hayes-Zorn: So I mean that's our goal. That's our goal.

Stoldal: If you would come back at the next meeting with any recommendations to change The Quarterly to something else. At this junction, I would be comfortable with The Quarterly being The Quarterly. But if there's some other reason to come back, please come back and make a presentation.

Hayes-Zorn: All right.

Stoldal: Any other questions? I'm glad you are really getting caught up. That's very exciting. Congratulations.

Diamond: Yeah. Hard work.

Barton: Moving on to the Nevada State Museum.

Stoldal: Nevada State Museum, any questions? Jim is here if you have any questions. Janice Pine.

Pine: No, I don't think I do. Wait just a second. No, I don't with this.

Stoldal: I just had a note. Right at the end of -- as you notice at the end of each of the documents we've had them include their mission statement, as well as their current date of operation. I noticed you're open Tuesday through Sunday, while Las Vegas is now going to be -- or Dennis, when are you going to be open?

Pine: Wednesday.

Barton: Wednesday through Monday.

McBride: We're open on Wednesday...

Stoldal: So why are we closed on Tuesday and they're closed on Monday? Is there some difference in the culture?

Barton: Well, we try to address the historical patterns of travel and tourism. Most museums, if you look outside the state system, many museums -- I wouldn't say most -- many are closed on Monday.

Barton: It's kind of historically been the day. We have found, from the data that's been provided to us by the Springs Preserve, that Monday is a particularly good in that (inaudible). So we open that day.

Stoldal: Okay. Thank you. Any other questions?

Pine: Just...

Stoldal: Nevada State Railroad Museum in Carson City.

Stoldal: I'm sorry. Nevada State Museum, Carson City, the Railroad Museum.

Barton: We have nothing special to report there. We've talked about the Glenbrook unveiling. It was the big deal for us for May, and for the state.

Stoldal: There was a really -- it was -- one thing stood out to me and that was the fact that the First Lady, Bonnie Bryan, was able to open up the Glenbrook -- to christen it as she had done with the Inyo, I believe.

Barton: With the Inyo some 30 years before, when she was first lady.

Stoldal: I can't tell you how important that really was on a lot of levels to the Senator and Mrs. Bryan (inaudible).

Barton: I would just mention and like to acknowledge and thank Claudia and her team at Nevada Magazine. If you get the magazine, I hope you all do, but the current issue, which is May/June, has wonderful and extensive articles on the Glenbrook restoration that was written by Wendell Huffman. Wendell, Chris DeWitt, and Adam Holskey (sp?) collaborated and have written an extensive piece that will go into Trains Magazine in the September edition. Trains is the de facto gold standard for railroad preservation efforts and it has an international audience. So that's going in, in September. The publisher of Trains Magazine has been a personal friend of mine for 25 years or more. And so it's spurring a second article. He's asked me to write my, hopefully not swan song, but he wants me to write an article on what I've learned in the 40 years. This is my 40th anniversary in service to museums this year, and has asked me to write a piece on what I've learned and what's changed in the Railroad Museum community in the last 40 years. I've got to get busy.

Stoldal: You certainly have some world-class pieces at the (inaudible).

Markoff: Peter, I want to thank you for getting a playmate for Eureka.

Stoldal: Janice Pine.

Pine: I have a question. This sort of maybe goes back to the auditor's concerns. But this museum store, as of the end of April, has \$336 in profit?

Barton: Thank you for putting that out there, Janice. This is Peter Barton again for the record. Because I actually was hoping Greg would still be here because it's a question that I had. Historically, for many years -- for the last 10 years, the Railroad Museum has far surpassed most museums in the system as the most profitable. I think they were putting \$50,000 in investments every year out of the store. I don't know what's happened, but I saw that number. It now has the lowest profit margin and it is the closest to slipping into unprofitable status. So something's happened down there and I haven't had the time to really study it.

Stoldal: Our Museum Store Committee will get to the bottom of this.

Pine: Okay. Thank you.

Dwyer: This is Doris Dwyer. What does it mean in the explanation below that, "Merchandise procurements were delayed to the change in the fiscal years." Does that mean that there was

more merchandise purchased in this fiscal year and that reduced the profits or does it mean something else?

Barton: For the record, Peter Barton. Historically, when we transition fiscal years from one to the next, we close purchasing in the private trust funds at the end of May, so that we have the month of June to receive merchandise or services whatever that's charged to the trust fund so that at June 30th all of the obligations for that fiscal year are completed, because then Fiscal has to go and do work programs. It's a lengthy, laborious process to open the budgets because these are not like legislative-approved budget, these are different. They require more work on our part to open them up into the next fiscal year. So often, and historically, it could be the middle of August before we have authority to buy. Carrie, through some very, very organized fiscal planning and process, has been able to shrink that. Last year, we opened budgets on July 16th.

Edlefsen: 14th.

Barton: 14th. So it was exactly 14 days into the fiscal year, and that's only because of planning, and part of the planning is we've got to cut off on May 30th or you don't have the appropriate numbers to be able to balance forward accurately. So this is really a vestige. I disagree with that comment. That's from years ago.

Dwyer: Okay.

Barton: That should be gone, because there's...

Dwyer: So there's no connection?

Barton: It's a two-week delay.

Dwyer: Yeah, there's no connection between this statement and the no profit?

Barton: No, no.

Dwyer: Thank you. That's (inaudible).

Stoldal: Thank you.

Ostrovsky: And Mr. Chairman, I would just note, Page 5 of that report about how many users there were on their Facebook page and how many views there were of the video is just proof that I will continue to push by starting to talk about social media. It is the way the world connects today, and we're not doing it. We can see how many -- we couldn't buy 44,000...

Markoff: No, I was just going to ask along with social media, has anybody looked in putting Nevada State Railroad Museum stuff on YouTube?

Barton: There is some on there.

Markoff: Is there?

Barton: Oh yes.

Markoff: Well, there is of the Glenbrook coming out. I saw that. But I mean some guy posted a thing of my locomotive on there and it's coming up on 300,000. I couldn't believe it. It just shocked me how many people look at this stuff.

Barton: There are several YouTube's for the Railroad Museum. The McKeen Car, Locomotive 25 Operations.

Barton: But there are many out there.

Markoff: ...at the exposure.

Stoldal: Alicia, would you like to change the subject?

Barber: Yes. No, not off the museum but, yeah, I had a question about the exhibits inside the Railroad Museum, because we were there for the Glenbrook and went in. Are those trains that are inside ever open to walk through? Because they were chained off. The ones that are indoors. You couldn't walk through there. Can you ever walk through there?

Barton: No, I think is the best answer.

Barber: Because I was really surprised by that, actually, because they looked like they were very nice inside. And my six-year-old daughter couldn't see inside at all, because you can't even look through the windows unless you're my height. And I just thought that's a real missed opportunity. I mean I'm sure there are issues about people going through the (inaudible), but I kind of expect to be able to walk through the inside of a restored train when I go into a railroad museum.

Barton: Well, it's a very complicated answer...

Barber: I'm sure it is, yeah.

Barton: ...and part of it is accessibility. Those cars are not accessible.

Barber: Yeah.

Barton: So I have to provide an equal experience. If I let anyone in, I have to have that equal experience for those who can't go in.

Barber: Uh-huh.

Barton: And that's generally someone's got to go in and videotape or you've got to put cameras inside so that someone could get the sense they were walking through or sitting in the car.

Barber: Uh-huh.

Barton: So that's one reason. That is historic fabric in Car Four, so it's an artifact that would be like akin to having someone handle an artifact, which we obviously don't regularly encourage. Because I think Dan or someone on this side had said when the Inyo is in the museum, we do separate the tender from the locomotive. And there is a fully accessible platform so people can get up and see the backside of that and the front side of the tender. I mean, I'm not disagreeing with you.

Barber: Mm-hmm.

Barton: I think your point is well made. There's complications.

Barber: Yeah, or a platform to just look inside the windows. And I understand there would be an accessibility issue with that perhaps, but I just want to suggest that maybe we should look into these things that you're just saying about providing some kind of camera to look inside for people who might not be able to look through. I understand (inaudible) of artifacts. Absolutely. But, gosh, I really wish -- I really wanted both my daughter, who is...

Barber: ...too heavy for me to pick up -- I pick her up to look in the window. She wanted to see inside. And just the window would have been sufficient probably, because it's a pretty small -- you can see a lot just by looking in the window.

Barber: I think that could really add to the experience.

Female: Put a webcam in.

Markoff: Mr. Chairman...

Stoldal: Yeah.

Markoff: ...what California has done on at least one car, and it's a big modern heavyweight, they have it so you can go through the whole thing. And it's an interesting display because they actually have it as it's rumbling down the rails, not only in terms of the sounds that you would hear...

Barber: Right.

Markoff: ...but in terms of the sensation (inaudible)...

Barber: Vibration, yeah.

Markoff: ...and the vibrations and everything else.

Stoldal: Peter has made a note. Nevada State Railroad Museum Boulder City. Any comments here?

Pine: I have a question.

Stoldal: Janice.

Pine: On the bottom of Page 3, it says, "Note that attendance is less in November due to the advanced ticket sales." And then there's a big jump in ticket sales in December. So does that mean that when they actually show up as a rider they are then counted or do we not count the advanced ticket sales at all? I mean I don't know what you meant by that.

Edlefsen: Carrie Edlefsen for the record. The advanced ticket sales are counted, but they are counted as the passengers riding the train.

Pine: Okay.

Edlefsen: So they're counted as of the date of the event that the tickets are for.

Pine: So I buy my ticket in November, and I ride the train in December. And when I hand in my ticket, that's when it's counted?

Edlefsen: Correct.

Pine: Thank you.

Stoldal: Okay. Any other questions?

Markoff: I just have a quick question.

Stoldal: Dan Markoff.

Markoff: Peter, on the Boulder City train, of course, that's very popular and a lot of people ride it. But what I'm concerned about is the clear coats on the cars are starting to peel pretty badly. Are there any plans to get those clear coated again or any funds for it?

Barton: Peter Barton for the record. There's no specific funds. They have -- what's it, Category 45?

Edlefsen: Category 45 for the maintenance of the cars.

Barton: Do you know what the authority is on that?

Edlefsen: I don't off the top of my head.

Barton: There is a state fund budget account 45 in their budget accounts -- category in their budget account for maintenance of railroad equipment. I don't know what the authority is in it. It has authority.

Edlefsen: Yeah, it's pretty significant too, but I don't recall. I can't off the top of my head tell you what it is right now.

Barton: I don't know, I had asked staff a couple of years ago to come back with some information on the Union Pacific locomotive, which is looking pretty sad. The caboose...

Markoff: Yeah, it's all starting to get kind of bleached out.

Barton: ...and that I haven't -- they're woefully short-staffed down there, so I haven't had any feedback on it.

Markoff: I think the last time the volunteers painted those things, didn't they? I think it was before you even came. But anyhow, for as many people that are showing up out there, it's getting to look kind of ratty.

Barton: It is. I agree. I've said, again, for two years, that the locomotives are not creating a great first impression...

Markoff: Yeah.

Barton: ...when you show up.

Stoldal: Okay. Well, we made a note of that. Number 5, the Nevada State Railroad Museum East Ely. Any questions, comments?

Barton: Nothing in particular there. We have sent a draft proposal for a renewed interlocal contract. The current contract expires June 30th, but that has an automatic...

Edlefsen: Renewal.

Barton: ...renewal, thank you, clause in it. We're going to exercise the automatic renewal unless we hear any opposition from White Pine Historical Railroad Foundation and/or the City of Ely. They are both signators to that contract.

Stoldal: Okay. Let's move to Lost City then. Any questions?

Barton: I have nothing for Lost City. You'll see it in a couple of months.

Stoldal: Just a note there, and I think it's one of the things that we're going to have to look (inaudible) everywhere we can in the state, and that's that they picked up about \$5,000 from the Nevada Humanities. So we're going to start looking wherever there's a pot of money, we're going to

have to put our hand in. And, Bob, just as a reference point to they have a very active presence on Facebook and Twitter, Las Vegas.

Ostrovsky: Do they?

Stoldal: Yeah. Nevada State Museum in Las Vegas. Dennis is here. He's stayed the entire course so we have to pepper him with questions.

McBride: Hi.

Stoldal: Any questions? Please.

Diamond: Dennis, Renee Diamond. Is the reason you did so well in January is because I brought my cousin in there?

Barton: That's it.

Diamond: In the gift shop. Museum store (inaudible). No, just kidding.

Ostrovsky: I do. I have an accounting question.

Stoldal: Please.

Ostrovsky: For the record, Bob Ostrovsky. When you look at the museum revenue and the expenditures, you show a huge net profit, of course, because there's no personnel charge.

Barton: Right.

Ostrovsky: It's staffed by someone else, so the numbers are really false. Is there some way we could -- I mean to find out really whether that store is making money, I need to plug some number in for that person who runs that store.

Edlefsen: The problem is that the store does not fund -- the store does not fund that position.

Ostrovsky: Well, it really is profit to us in terms of (inaudible).

Edlefsen: Right. But as far as funding goes, the store does not fund that position. I suppose we could prepare a cost allocation of the hours worked of the person that does that, but as I understand it that person works with memberships and facilities and I mean the staff member is an all-around part-time employee that just dabbles in a little bit of everything in the dedicated trust funds.

Barton: Right.

Ostrovsky: Bob Ostrovsky again. The Springs Preserve still has its own store?

Barton: Yes.

Ostrovsky: Yeah, but look at these sales numbers. I'm back to the question why do we even have a store?

Barton: That's one of the things to be addressed in the coming months.

Ostrovsky: That space would be better used for something else.

Diamond: Mr. Chairman, Renee Diamond. When we combined the admission and the store at the Historical Society, did you feel there was any improvement in the store sales? Did it bring more people into the store?

Hayes-Zorn: It definitely brings more people to come in and walk into the store. Of course, this past year we were dealing with -- this is Sherry for the record -- that when Juil retired, we were three months or more without somebody. But our new administrative assistant, she's great, Dorothy, and she's learning all of the systems and learning the point-of-sale so we'll actually be caught up with everybody else of having our inventory integrated in the system. So I can only see improvements, but I believe there's definitely a correlation because they're having to walk in and it's kind of double duty, because as you know, our store could not find a position.

Diamond: Well, the reason I'm asking is I have always felt that the design of the separate store behind the big glass windows so that when the shelves have displays on them you don't get a sense of the whole store.

Stoldal: Right.

Diamond: And that may be something that the Store Committee needs to look at. When you walk in, the admission is way over behind a desk. And the gentleman that was there was very lovely. But you almost had to go out the side that you're not supposed to go out to the parking we're not supposed to be in order to get into the store. Even if the door were at the end closer to the center, it would seem to me it would be more user friendly. And if we're going to have a store there, we might want to blow out and open the whole front or shift the entrance or do something like that. The store is totally invisible except for the things that are behind the glass.

Stoldal: This is no criticism, please, of anybody, because everybody is working. But the items in the store there, and when I walked into our store, the Nevada State Museum here in Carson City, there's nothing. It's empty. There is no t-shirts. There's just -- it's devoid of anything that screamed at me and said you've got to go buy this for the family. The objects that we have in Las Vegas are more art items and I don't think the price ratio or the -- what we're putting out there. And they have these -- every store, every museum has -- you can buy these little rocks or collection or whatever. I think there's still tremendous opportunity before we decide we don't need a store in the Las Vegas one to take a look at what's going on. The Springs Preserve store went through a complete redevelop. They cut their store in half and they

change their material all the time to -- when you walk in and they've got a significant exhibit going on, that store is filled with those items. And it changes all the time. There's always something new, significant in that store. We've got -- all of our stores are slightly different. The one at the Historical Society has a slightly different mission, in some way, than the one in Lost City.

Diamond: Renee Diamond for the record. Our auditor mentioned something. There's a theory in retail about the first thing you buy needs to be out the door in a certain amount of time. Otherwise, it begins to start owing you money because you've got money invested in it. We don't have any system in any of our stores how to move merchandise out. Those \$5 books we got for free from Stevens Press went like \$5 books.

Stoldal: They should have been \$10.

Diamond: I mean the fabulous art book -- or whatever the heck they were. But we may keep some of the items in any one of the stores for way past its shelf life. One, taste changes so merchandise isn't the same. We didn't buy bell-bottom pants or maybe we did this year...

Female: They're back.

Diamond: ...but they're back, right. But the point is you would have had bell-bottom pants from the old days, they would owe you money just from the space they take up. We don't have any way to determine first in, first out, or near to first. And the auditor said something about that and I heard him say it, but I wasn't really listening. And is there a whole theory behind it? We should be looking into that.

Stoldal: Well, I think the thing, again, the quote (inaudible) a lot of this is done with our volunteers. Pete Dubé has been working on this committee as a one-person committee for the last year and a half. We now have some more energy, and quite frankly, some more expertise that we can bring to the Board. But this is something statutorily that we are responsible for. Again, not just for the stores, but for the items that are in the stores. So it still is an opportunity and I'm very optimistic that we're going to see some improvement in that. Item Number, where are we, 7? The 7-A, Possible action concerning the real property located at 711 South Seventh Street. What's the latest on that?

Barton: I have nothing further to report on that.

Stoldal: At our last meeting, we had requested the Attorney General's Office to follow up with a letter that was sent to us. I don't know whether your office has written that or...

Barton: I have not seen that yet (inaudible).

Rasul: Henna Rasul, Senior Deputy Attorney General. Sarah did not indicate to me whether or not she had sent out a letter regarding this Agenda item.

Stoldal: This is a piece of land that was given to us. Unbeknownst to us, we were in the will. It's in an area of downtown Las Vegas that is now -- every other door is a lawyer's office on Seventh Street. It's in the historic district.

Markoff: Including mine, Mr. Chairman.

Stoldal: What's that?

Markoff: I'm at 820 South Seventh.

Stoldal: So 711 is a pretty good address.

Markoff: Right across the street.

Stoldal: Yeah. And the people that were living in it, who had a right under the will to live in it until they died or moved, they now want the state to give them that property. And we're saying we don't think we have -- certainly don't have the authority to do that nor do we want to do that. So we need to move forward and get a request. We need to move forward on that, so let's have something at our September meeting, if we can do that. If you can pass that along to Sarah.

Rasul: I'll let her know (inaudible).

Stoldal: Yes, please. And update or recommendation on what we should do to deal with Item 7-A. Let's move to 9, Contract Reviews. 9-A, Review possible action to approve a two-year contract with On-Cell in the amount of \$19,000. Peter, do you want to say anything? Otherwise, we'll just look for a motion.

Diamond: So is it an app for your phone that you walk through the museum and it talks to you or what the heck is On-Cell?

Barton: On-Cell, which was formerly known as TourSphere, is a provider of web-based applications and native applications for smartphones, primarily, where you could get a tour downloaded to your phone for museums. And there are well over 2,000 museums in this country that use this or some similar vendor. And they've approached us a number of times. They met with Dennis in Las Vegas, I think earlier this year or late last year. They visited Boulder City a few years ago, and I had the opportunity to do a presentation at the Tourism's Rural Roundup on History As A Hook, and I brought On-Cell. They're an upstate New York-based firm and their president, Tom Dunne, came out and did a standing-room only presentation twice at Rural Roundup about this type of heritage-based tour. And Alicia Barber has some experience in this arena for having created a phone app tour for Reno, right. Did I say that right?

Barber: Yeah. Licensing out an app (inaudible).

Barton: And so, frankly, it's time for the museums to get on board with this, number one. And number two, it seriously begins to address accessibility for -- it'll enable us to move toward both visually and hearing handicapped.

Diamond: So the \$19,000 that we're asking for here is what, a feasibility...

Barton: No, no.

Diamond: ...or it's an actual (inaudible)?

Barton: This would actually allow us to build, I believe, at least two. I mean it depends on the number of pages. It's kind of a per page cost and there are some background costs that you have to pay for them to host it. But we'd get at least two museums, if not three, up and running with the web based. Not the native application. That is a little bit more complicated...

Diamond: Yeah.

Barton: ...and I'm out of my comfort zone here.

Diamond: And I don't want to know.

Barton: But we're anxious to get going with it. Funding for this, we haven't received the funding. We're actually asking you to approve a contract. We haven't funded yet; is that right?

Edlefsen: No, because it's supposed to be donated. The funds are...

Barton: Right.

Edlefsen: ...being donated.

Barton: I don't know, legally we can't approve a contract without the funds.

Pine: Yeah, we could contingent on the funding, couldn't we?

Barton: There may be a state law we'd break in doing that. I mean, I know for general funded contracts they have to be funded before you can approve them.

Stoldal: We could approve you to look into a contract. We're not going to approve the specific contract, but...

Edlefsen: If we know for sure we're being awarded the funds in the next fiscal year, the authority will be there because we'll building the authority into the budget.

Barton: Authority in it, yeah. Okay. Let's not complicate it.

Edlefsen: Let's not complicate it.

Pine: I have a question. Janice Pine. Is this then only for people who have smartphones and such things? So if a person in a wheelchair shows up without a smartphone can they rent a smartphone or somehow rent whatever is on the application?

Barton: Phase two, which doesn't come in this contract, phase two is the acquisition and deployment of iPads to accommodate that audience.

Pine: So somebody could -- oh, it's...

Barton: So that if someone came in the...

Pine: ...only for telephones in the phase one?

Barton: That's correct.

Stoldal: Is it only for iPhones?

Barton: No.

Edlefsen: No, just smartphones.

Stoldal: Okay.

Barton: Smartphones.

Edlefsen: All smartphones.

Stoldal: Okay. But for an iPad or all pads?

Barton: Not in phase one.

Stoldal: No, but in phase two.

Barton: Phase two, it comes with -- there's an equipment rider and I don't have the proposal. Did you bring the proposal?

Stoldal: No, I was (inaudible) just going to be in phase two is iPad only.

Barton: I think so. That's what that -- because we're buying the equipment.

Stoldal: Okay.

Barton: We're buying iPads.

Edlefsen: Any piece of equipment whether it be a smartphone or a tablet that runs on the Android or Apple operating system should be able to utilize the app.

Stoldal: Good enough. Great. Thank you. So do we need a motion?

Barton: We do.

Markoff: I just have one question...

Stoldal: Okay.

Markoff: ...if I could, Peter. Peter?

Barton: Yeah.

Markoff: This device, is it going to send out a visual signal as well as an audio signal?

Barton: Yes.

Markoff: So the idea then of just having those wands that you used to see around would be out of the question, right?

Barton: This is kind of the son of wand. I mean wands are still used -- widely used in museums.

Stoldal: That's a "W," not "J."

Barton: The Mob Museum just installed Acoustiguides in several languages that I'm told are extremely popular. But this is a variance of that

Markoff: This is a bonus with the visual stuff.

Allison: For the record, Bryan Allison. One thing I would caution is you want to go test some of these apps particularly, because it sounds like what they're going to do is build a web-based presence that will work on any smartphone. It really doesn't matter about operating systems. As long as there's a web browser, it'll work. But it looks like what they're going to do is just do like a basic conversion to make it an app, and what often happens when you do that is you have real performance problems, because it's not taking advantage of the native app software that's built into the smartphone. So I would just say you probably want to go find an existing client they have built a web-based app for, and I'm happy to help with this, by the way, who they've built a web-based app for and a native app for so we can take a look and make sure that it performs properly, because that's real problem when you just do this. There's software called PhoneGap where people just kind of port a web-based over to a native app and they frequently don't work very well, so...

Stoldal: Good information.

Barton: It is. Thank you. And the reason we didn't go to native app right now is we're going to be forced to -- some of our locations we don't get cell signals reliably. Ely being one. Inside many of the museums -- or some museums we don't get a signal, so the web-based won't work there.

Allison: Right.

Barton: So we're looking at places to begin the deployment where we've got a consistency.

Allison: And then development costs are much higher for a native app than they are to a (inaudible).

Barton: Yeah, they are.

Stoldal: We look forward to using your expertise. Thank you.

Allison: Sure.

Ostrovsky: But, Peter, you're recommending this contract to us now?

Barton: Yeah.

Ostrovsky: I would move to -- what are doing here, authorizing or are we...

Barton: You're approving a two-year contract On-Cell Systems in the amount of \$19,096 for the development and implementation of web-based phone applications.

Ostrovsky: **Between the Division of Museums and History and On-Cell Systems, Inc., I so move.**

Schorr: **Second.**

Stoldal: We have a second. Seth Schorr has the second. Questions? Janice Pine.

Pine: May I make an amendment or a suggestion or something? If we have to wait for the funding, let's make sure what Bryan just was talking about that we can maybe give the authorization now with the understanding that Bryan's concerns are answered and to everybody's satisfaction before this is actually granted to this company.

Stoldal: Let me ask you a question. How far down the road are we with these folks?

Barton: We're ready. They've already signed the contract.

Ostrovsky: And where's the money?

Barton: You have it.

Ostrovsky: Oh, it's my...

Barton: It's your money.

Ostrovsky: The money is there.

Stoldal: Alicia.

Ostrovsky: I just have to write a check.

Barber: Yeah, Alicia Barber. I mean surely this has been researched pretty heavily. So who did the research for it? What are their other clients? How was the kind of research conducted (inaudible)...

Barton: National Parks Service, the California State of Parks. We talked to Texas Heritage Commission, who is a client. I mean no one has had a bad word to say, but it still demands we take a look at this issue that Bryan raised.

Hayes-Zorn: And just one thing. This is Sherry for the record. Dennis and I were the first ones that did an on -- joined the presentation. And so they gave us examples in the presentation that we could go look at the web-based and the full version. So they were trying to show us examples and they gave us different clients on the websites to talk about.

Stoldal: I want to be...

Hayes-Zorn: But I still -- I believe it may better...

Barton: Sure.

Hayes-Zorn: ...to just double check.

Stoldal: But the motion is that we accept this contract. That's the motion that got a first and a second.

Ostrovsky: I do have a question.

Stoldal: Yes.

Ostrovsky: Peter, I can't fund at all, so do you have some other source?

Barton: We do.

Markoff: Well, point of order then. Aren't we kind of getting the cart before the horse? Shouldn't we approve the money before we sign a contract?

Ostrovsky: I can't give you the money until after July 1st. You have to wait a little longer if you wait for another Board meeting.

Markoff: So if we approve this and sign off on it, we're obligated right away for the 19 grand.

Stoldal: No, not until you sign the contract.

Markoff: They signed it according (inaudible).

Stoldal: We haven't signed it.

Diamond: Not we, they. The company signed it.

Markoff: I know that. But if the Board approves it then we're basically on.

Stoldal: Well, this is getting really too far down in the weeds for me. Is there any reason we can't delay this until September?

Barton: You're (inaudible).

Stoldal: Well, I mean is that slowing your process down?

Barton: Of course.

Stoldal: Oh, it does. Okay.

Diamond: So I have a question. Renee Diamond. At the end of the contract in the book, there's a scope of work. And being the low techie that I am, "Design, develop, publish, host (inaudible) for applications for mobile devices either used for download as native phone applications for Apple and Android platforms or as mobile web apps." Does that answer your question, or the last section, "Ability to provide and support on-site mobile users such as iPad touches preloaded with app software for use by special need users." Is that what you were asking?

Allison: No, what I -- for the record, Bryan Allison. What I'm asking or just looking at is number two. So number one I think is what we're proposing to do. Number two is when they use some software to convert the web-based app into a native app. So the difference between a web-based app -- with a web-based app, you go to a web page. You'd use Safari or Chrome or some web-based browser to reach the pages that you want to look at, the content you want to look at. With a native app, you would have just a button that says Nevada State Museum. You don't go to a browser or anything. You just hit that one button and you go right into the content. It's a much better interface usually, just because it's easier. You're not having to go to a web page. You're not having to enter a URL. You're just kind of, "boop," and you're in.

But the way they're converting it, you just want to make sure that you have good functionality when they do that, because there's two ways to create it. One is you just take pages, you send them through some software that looks like they have. And they might be very good. I have no idea. And then you get a native app on the other side. The other way is you start from scratch and write a native app using a lot of the software that's built into the phone so that the performance of it can be a lot faster, it can be more robust. You might use

geotargeting. You can use a lot of the things that are built into the phone without having to rely on external APIs or resources.

Diamond: So none of this scope of work, the seven bullet points on the scope of work, describes what you're talking about?

Allison: It does.

Stoldal: But that's phase two, correct?

Barton: If I may. I wrote the scope of work (inaudible). This is what I asked them to put a proposal in. They submitted as Attachments CC their proposal.

Diamond: Right.

Barton: We can't fund it all.

Ostrovsky: Right.

Barton: So we had to go and say what's the most critical, what's the least expensive that we can deploy quickly, because we could end up in court very soon from -- in federal court for ADA compliance issues. So we're trying to move quickly so we -- this is a menu. We picked the menu...

Diamond: Okay.

Barton: ...that came up to \$19,096.

Diamond: Okay. So that's not the scope of work for the contract we're signing for a limited...

Barton: Correct.

Diamond: Okay. Thank you.

Stoldal: Dan.

Markoff: I've got two questions. The first is for the Attorney General's Office. Have you guys approved this contract?

Rasul: For the record, Henna Rasul, Senior Deputy Attorney General. I was going to make a suggestion. I review many contracts. I review all of NDOC contracts and all kinds of contracts. I would err on the side of caution, and what I would recommend is that you just revise the effective date to July 1, 2015, when you do have possession of the funds. That said, because the contractor has already signed it, typically in these types of situations when it's just a slight amendment, you have one or two options. You can either apprise them of the fact that the Board approved it but they amended the contract to have an effective date

July 1st; are you okay with it and see something in writing from them that says they're okay with that change. Or you can just draw up a new contract and have them sign the contract again.

Stoldal: Well, I was thinking potentially that the issue is when you have the money in hand.

Markoff: And that was my second question, Mr. Chairman, is could we just conditionally approve it upon the funds being available.

Ostrovsky: But if you look at the contract, it specifically says it's executed upon the date this Board votes.

Markoff: Okay. Then...

Ostrovsky: So I mean I can write a check today, but it's an accounting headache because it goes into a different year of the biennium. It's easier to write a check dated July 1st than it is to write a check today and spend it next year. It's just the way the state accounts for money. It's (inaudible) painful.

Stoldal: There's another way to go, and that's we simply authorize a member of this Board to give them the authority to approve that.

Ostrovsky: Well, wait. I would change my motion to say that we approve this contract if the other party is agreeable to a July 1st modification as a start date. If they're not, it's not approved.

Rasul: Is he the one that made the motion?

Markoff: Yeah.

Rasul: We have a motion and we have a second on the table.

Stoldal: Yeah.

Ostrovsky: Yeah. Well, I'm authorizing -- I'm asking to change my motion.

Markoff: I'll ask you to amend it that way.

Rasul: So this is kind of a -- okay.

Stoldal: So you're asking to amend it that way. And who was the second?

Female: Seth was the second.

Barton: Ostrovsky and Seth Schorr.

Stoldal: Okay. So will you accept the amendment?

Schorr: I will.

Ostrovsky: So now it approves the contract with the proviso that the...

Barton: Contractor...

Ostrovsky: ...that the contractor agrees to modify the start date of this contract to July 1st of 2015. And I will see that you have the funds -- check dated that date in your hand before then.

Rasul: That way you just eliminate...

Ostrovsky: I'll send it to you tomorrow.

Rasul: ...any confusion, mess, you have the funds...

Barton: Yes, right.

Rasul: ...there's (inaudible) questions.

Ostrovsky: If they don't agree, then there's no contract.

Markoff: Yeah.

Stoldal: Okay. Any comments, further comments? Dennis, do you have a comment? No?

Diamond: I have a question. Renee Diamond. So then does this go to Board of Examiners?

Rasul: And it goes to BOE but not all of BOE. I think just the...

Female: Not this contract.

Rasul: Oh, not this contract?

Barton: These are BOE-exempt contracts.

Rasul: Oh, is it? Okay. Then you have an exemption. But ordinarily it would.

Barton: It would go to BOE.

Rasul: It would just be (inaudible).

Stoldal: All those in favor say aye.

Group: Aye.

Stoldal: Those opposed? Motion carries unanimously. Thanks everybody and yourself for getting us through that process.

Pine: Mr. Chairman, Janice Pine. I suggest that we have our birthday party. The birthday girl is not going to have a chance to have her own cake if we don't take (inaudible).

Diamond: And that would be a real tragedy.

Ostrovsky: We're going to have to move along.

Stoldal: Okay. It's now 2:73. Let's get back here at about...

(off the record)

Stoldal: ...June 19th. We are near the end of the Agenda, but some very important elements that we still have to go forward with. And that would be Item No. 10. And, Bob, let's quickly deal with 10-A, the Morgan Stanley Investment Report.

Ostrovsky: That's included in your packet, just for the record, so you know, there's two reports attached, one for the month ending March 31st and one for April 30th. For the record, the account balance as of March 31, 2015 was \$1,428,666.55. The account balance ending April 30, 2015, \$1,441,785.17. There's always a considerable lag between the time we get all these put together. This does not include the funding that are in the Treasurer's Office. I don't know what that balance is or whether we care that we have that. Do we have the Treasurer's Report? I don't think so.

Barton: I think you gave it to me and I didn't append it to the report.

Pine: Okay.

Ostrovsky: Well, but there are funds over there.

Barton: Yeah.

Ostrovsky: Dedicated funds, which are not at risk.

Stoldal: But we'll have that for sure at our September meeting, the update on that?

Ostrovsky: We have completed the transfer of money from Brandes to the new fund....

Ostrovsky: G-O-H-L, as authorized by the Board in our previous meeting. That transaction has been completed. Those dollars have been moved across, so went from international to large (inaudible). It's not fun. And that transaction is complete.

Stoldal: Questions?

Barton: For the record, let me correct that. It's Bahl and Gaynor. I had it backwards. B-A-H-L and Gaynor, G-A-Y-N-O-R, is the new fund manager.

Ostrovsky: Okay. All right.

Stoldal: Questions, comments? If not, we do not need a motion on that, that's a report. Do we need to accept it? No? All right. Let's now move to Item 10-C, Review and approval of the Museum Dedicated Trust Fund. You all received a copy of this via e-mail. And for our new members, I'd advise you just to take a look at -- unless you want to go through and read each page -- the Finance Committee did that for you, but the cover summary would give you a real good idea of how each of these facilities operate and what we are charged with. Actually, as a way to get a -- take a look at the minutes. But, Bob, I'm going to turn this over to you...

Ostrovsky: Yeah.

Stoldal: ...to move forward on.

Ostrovsky: Yeah. Let me give you the 10,000-foot level and we can dive in here to the depth you want to go. If you open it up, the first -- it's actually not the first page, it's after the notice page. There's a page that looks like this and I think it's Page 2 -- it's actually, Page 3, double sided. Gives you the breakdown of the positions that the Dedicated Trust Fund supports. Please note that the Administrative Assistant III, which we talked about earlier today, has been eliminated by the legislature. And the difference between eliminated and frozen is frozen jobs can be reauthorized. We can reauthorize them and open them on our own. We froze them, we can fund them. If the legislature eliminates it, you have to go to IFC and get approval to add back the position. So there's a lot more process and time involved. But the position we eliminated at the Historical Society had not been filled since...

Female: 2011.

Ostrovsky: ...2011, and the legislature chose to close it. I went to that budget hearing. We did maintain, however, the Storekeeper II at the Nevada State Museum in Las Vegas. That position is within the control of this Board and if and when we believe it can be filled, that process is somewhat similar. So this is everybody who is paid out of those funds.

Stoldal: Bob, will you back up a second?

Ostrovsky: Yeah.

Stoldal: The process is that this budget it put together by staff, by each of the directors, reviewed and then it comes to the Finance Committee. And the Finance Committee holds a public meeting and goes through page by page by page the enhancements and the minutes for that meeting is in our Board packet from this morning. That will give you a good insight -- a quick overview of what we did. We made some changes. We made some adjustments. So

that's the process. The Finance Committee reviews the budget, the public meeting and then makes the presentation to this full Board.

- Ostrovsky: Yeah. That committee made up of myself, Janice Pine, and Bob Stoldal. Renee Diamond was absent that day. We spent about three hours on these budgets, and this budget authorizes a total of expenditure of \$1,488,437. Just in, again, in the 10,000-foot view, one of the things -- there's some consistent enhancements in here. One is an accounting change. Carrie, do you want to tell us why we've set up new account, I guess it's 48, is it called?
- Edlefsen: Yes. Carrie Edlefsen for the record. In the three years that I've been with the division and building these budgets for you guys annually, I've found that historically revenues or expenditures that remain and we couldn't quite budget would drop into a reserve category. It used to be that we could write checks out of the reserve category. Well, we can't do that anymore. So what happens now is when a museum wants to utilize the funds in the reserve, you guys have to approve it, I have to create a work program, I have to justify it to the Budget Office. They have to approve it then it has to go to the Controller. So it's long, drawn-out process. After talking to Peter, we decided that we could eliminate the reserve category and create another category that is specifically for use by the Board for their special projects, which would not be any different than the reserve, except what this does is this eliminates the additional need to create the work program, create the justification for the Budget Office and have the State Controller's Office move the funds into another category that we can write a check out of.
- Stoldal: What generally was pretty much a rubber stamp process.
- Barton: Not lately.
- Edlefsen: Not lately.
- Stoldal: Okay. But -- okay. But in the past, it was just all these series of steps to get to the same place that this is going to take us now.
- Edlefsen: Right. What this does if a museum director presents at a Board meeting that they would like to use these funds for a special project, and you approve it, immediately they can start using those funds up to the amount that you guys have approved for them for that specific special project. Before when it was the reserve category, it could take anywhere from 6 to 12 weeks for those funds to become available. So we have created -- well, within the creation of this category, if approved, we will create a policy that defines the use of this category specifically upon approval of the Board.
- Ostrovsky: And for the new folks on the Board, most of the funds in this budget are money that circle through from the store, other fees and memberships and money we get that circles back in to run the stores and pay the folks that are listed on the earlier page, and where there is money coming out of an investment account that's specifically indicated. In this case, there's no investment income, but there are some Morgan Stanley transfers included in the accounts and they appear also on that same summary page. I don't think there's anything outside the

normal course here that we've found from year to year. We're recommending this accounting change. There's travel money in almost every one of these budgets for funding for Peter to go to a meeting, I believe.

Barton: We put travel funds in to allow staff to do some professional development and...

Ostrovsky: Yeah.

Barton: ...to participate in the Nevada's Museum Association Conference which comes up in late September or October in Tonopah. And for some staff to go to the Western Museum Association Conference in San Jose, and one of our railroad museum folks to go to the Association of Tourist Railways and Railway Museums Conference in Illinois. So it's some professional development, travel funds have been included.

Stoldal: Renee Diamond.

Diamond: So, Mr. Chairman, Renee Diamond, for our newer members. When times were bad and our investments were earning less, we cut all travel funds. We cut positions that were being funded with the private funds budget. So like our wish list to the state in putting positions back, we've been putting, over the last few years, when earnings have been good, back some of the things like travel. There was also a state mandate that no one travel for anything, and we always have to follow the state. But we felt, just as custodians of these funds, that we should be cutting too.

Ostrovsky: Additionally, there was some...

Diamond: One more question...

Ostrovsky: I'm sorry, go ahead.

Diamond: ...Mr. Chairman. Sorry. Do you need a motion to create this new fund before we actually vote on the new budgets that will contain the new fund?

Edlefsen: Carrie Edlefsen for the record. I'm not technically creating a new fund. I'm creating a new category in the budget.

Diamond: Okay.

Edlefsen: So when you approve the budget...

Diamond: It will automatically...

Edlefsen: Yeah, and it's built into the budget as an enhancement.

Diamond: Okay. Thank you.

Ostrovsky: There's also funds that have been allocated through various agencies regarding the NDOT-Indian Hills storage. Do you want to explain that, Peter, a little bit?

Barton: I'm sorry.

Ostrovsky: We allocated some funding from...

Diamond: Number 9 on this narrative from the Finance Committee.

Ostrovsky: ...each of the museums regarding the Indian Hills-NDOT facility.

Diamond: Appropriating half the fees.

Edlefsen: So 21,000?

Barton: We moved the -- yeah, you want to take that.

Edlefsen: Carrie Edlefsen for the record. There are some funds that have been allocated. As you know a few board meetings ago, Jim Barmore presented to the need for some funds for the storage situation at Topsy Lane and at NDOT. And while he was able to use some of their funds, he had identified funds to be used this fiscal year and funds to be used next fiscal year. Historical Society were to use funds this fiscal year and this coming fiscal year, but the request and justification didn't come in, in time for them to use their funds this year. So we built their entire request into the upcoming fiscal year for their use of temporary man power, equipment, and shelving as needed. And then also, am I addressing as well the funding from the archeological fees, the percentage?

Ostrovsky: Well, you might as well because that's the next thing...

Barton: That's next, yeah.

Ostrovsky: ...that I wanted to talk about.

Edlefsen: Okay.

Ostrovsky: You'll notice, if you go to the minutes of the meeting and if you go to Item No. 9, there's a discussion there about cultural resource management collections. If you want to go ahead.

Edlefsen: Certainly. In conversations that have been held, many of the fees that are paid for the...

Stoldal: I'm sorry, that's in your Board packet.

Ostrovsky: Under minutes, yeah.

Stoldal: Under minutes. It's the second set of minutes and it outlines the Finance Committee a lot of what's going on in the front.

Edlefsen: Anyway, many fees are collected by NSM for the curation, and you'll have the technical terms of it. Anyway, before the fees were used to assist in storage collection structure itself. They were used for education, for other history-type functions, events, (inaudible) whatsoever. What we have done is we have determined that we're going to take -- and right now it was a loose percentage with 25% of those funds -- 25% or 50%. I apologize, I do not recall.

Barton: 50%.

Edlefsen: 50% of those funds and place them in a category specific to the storage collection situation to help buy and assist in structural...

Barton: For long-terms needs of the collection.

Edlefsen: Exactly. Yeah, thank you.

Barton: So we basically bifurcated that, so we're saying 50% -- we need some of that up front to process these collections. And there's staff time, often these collections have to be housed. So we're going to allocate that 50% or \$270 a cubic foot for processing and then let's reserve -- essentially endow -- create an endowment for their long-term needs by reserving the other 50% of this. It just seemed like inappropriate public policy to get a one-time fee and spend it all on programs at the museum.

Stoldal: Let me back it up to the way I got to the fact. We right now charge the Bureau of Land Management \$540 a cubic foot to store cultural and historical material that's gathered from public lands as somebody wants to build a power line through or highway through or whatever. And we accept that material and take the money and we store it at Indian Hills. Traditionally, we have used that money for education and all the things we've talked about. We haven't put any more aside to maintain the facility to do that. So this time around we decided that let's start putting it in a fund that can be used, because we're finding challenges with maintaining that and those sites. We still haven't resolved how or what the future is of our relationship with the BLM and how much room we have to take additional material, what the expansion possibilities are.

What the Storage Collection Committee has at least determined is our relationship with BLM is very positive. They've been very helpful financially in a lot of ways, but we still have to reach the issue have we accepted the boxes since 1980 -- or from the 1970s. Have we accepted them forever? Are we in charge of these boxes forever? And we may be. I mean, they still belong to the BLM and they could come and pluck them. And this issue of storage capacity is challenging with BLM around the country and other federal agencies. Universities are saying -- UNLV says we don't want to do this anymore. They got out of the business. UNR is not really that excited about doing this anymore either. So it's an opportunity for us, I think, in some ways. A relationship that Jim has worked on has been very positive with the BLM, but we need to get more -- taking business-like approaches as we go forward.

- Ostrovsky: I think it was the Finance Committee saw this as an opportunity because it created a policy question. So I think going forward, the Storage Committee really has to come back to this Board and say we're not charging enough. We need to -- or maybe we can create a model which works for us with the BLM that they could use nationwide. There's a real opportunity here. Right now, we've done this to try to protect ourselves so we're holding a little money for the future cost of storage or if we have to curate something. But in the meantime, that's the short-term solution. The long-term is to kind of probably sit with BLM and talk about how we want to operate going down the road for future years. It is a lifetime deal. If it's not this, they'll be picking some up and bringing new stuff in all the time. So that's in here. One of the other little odd things that's in here is, because I raise it because Renee Diamond will raise it if I don't, that is that we propose buying a -- I have it all underlined here and I have to find it -- the freezer.
- Pine: Explosion-proof freezer.
- Diamond: The explosion-proof. Second paragraph, eight. Eight, the second paragraph.
- Ostrovsky: "Replace an explosion-proof freezer at the Nevada Historical Society. The current unit has failed and the repair cost exceeds the value." You would think the state would buy something like that. It's for the storage of film, which if you don't keep it in a certain temperature it degrades pretty quickly, I think.
- Stoldal: There's nitrate film back from the (inaudible).
- Diamond: Renee Diamond. If you want to read a great novel, kind of a beach read, ready "Missing Reels." R-E-E-L-S. A novel about the storage of old silent moves. It's fun and it's called "Missing Reels." It's on Amazon.
- Ostrovsky: We're suggesting that Private Funds Budget pay for this new freezer, and which they'd be happy to get. And I think everything else in here is pretty routine.
- Stoldal: I do have...
- Ostrovsky: Yeah, go ahead.
- Stoldal: ...one thing. That since that budget was approved, I think we're going to need to add some additional funds in the area for the Board for travel and per diem. With our committee meetings, we don't have any money that's in there for that and for an off-site meeting. I don't think we've built any funds in for that.
- Ostrovsky: No.
- Edlefsen: If I may, Carrie Edlefsen for the record. After the Finance meeting, and it was recommended that that was done, it has been built in.

Ostrovsky: Oh, good.

Stoldal: For both categories or just the retreat?

Edlefsen: For 5033 and 5034.

Barton: We've added additional travel funds so we know...

Stoldal: How much? I'm sorry, I don't know what 503 is.

Barton: They're the two budget account numbers.

Edlefsen: 5033 is the Board's...

Stoldal: Oh, gotcha. \$9 million. 503. So how much did we add?

Edlefsen: ...(inaudible) account. And we built in an additional \$4,425 for additional travel, per diem, and host funds for the additional days requested twice a year.

Stoldal: Okay. All right. And if we have to come back, we can always come back?

Ostrovsky: If we have to do a Board retreat and we want to hire someone, we can always authorize that as a separate expenditure.

Stoldal: Great. Thank you.

Ostrovsky: So myself and the rest of the committee is prepared to answer any questions anybody has about these budgets.

Stoldal: Janice.

Pine: Janice Pine. I just want to make sure that -- how many people are Lost City going to send? I failed to...

Stoldal: I think it was two. Oh, you mean to the Tonopah?

Pine: Yes. And they got that in here, no problem. Right?

Edlefsen: Yes.

Pine: Okay.

Stoldal: Yeah, they were on the telephone and had not -- Renee Diamond.

Diamond: My dear friend, Janice Pine, has always been our conscience on elegant language. And nine -- the section about the cubic foot splitting...

Ostrovsky: Yes.

Diamond: ...with (inaudible) has a term that just offends me. It says, "This category would seize 50% of the \$540." I think legislative and budgetary language would -- appropriate would be a nicer word than seize.

Ostrovsky: As the chairman of the Finance Committee, I would ask that it be added to our minutes of this meeting, because we've already approved these minutes. So it's a correction, which I think we should so note in the minutes in this meeting reflecting those.

Diamond: It's not a big deal, but as my tribute to the most elegantly spoken woman I know.

Stoldal: I look for a motion to approve the budget.

Diamond: So moved.

Stoldal: Do we have a second?

Schorr: Second.

Stoldal: Second. Further discussion?

Pine: Janice Pine. I just would like to say I don't know how any of you that didn't have a hard copy could possibly have done this on the computer. Going back and forth and trying to figure out what is and what isn't. If any of you really honestly did it, I applaud you.

Diamond: I struggled through it, but that's because I've always been on the Finance Committee. So I have sort of in my brain a continuity, but it wasn't easy. It's horrible.

Stoldal: I had two printed copies and the computer in front of me.

Diamond: And you struggled.

Stoldal: But we got through it and was fine. But it is. So anybody who would like to be on the Finance Committee, come on board. Yes, please.

Edlefsen: I do need to note that there will be some technical adjustments in the budget as it's written before I can reconcile it and create the authority. The first one was the increase in travel that occurred in having to change the flights for this meeting will reduce the balance forward for budget account 5033 and increase the amount that will have to be drawn from Morgan Stanley. There's another technical adjustment that will occur in 5035 due to some unknown purchases that occurred by staff after the cutoff date, and also as with budget account 5039. I just want to make sure that's on record so that if somebody goes back to look and sees that the totals are different, that is why.

Stoldal: Can you amend your motion (inaudible)?

Ostrovsky: I didn't make the motion.

Stoldal: Oh. Who made the motion?

Diamond: I made the motion, but I have a question. Morgan Stanley, the Board account is negative, correct? Is it negative with all the...

Ostrovsky: We don't put any money in, so everything that comes out is negative to the fund, because...

Diamond: Okay.

Ostrovsky: ...we don't have any revenues.

Diamond: So that doesn't affect your adjusting of anything, it just will show additional (inaudible)?

Edlefsen: Yeah, it just shows different amounts on the GL line.

Diamond: So my private side says if we're negative, what is paying for the increase?

Edlefsen: Each of the museums' accounts within Morgan Stanley are allocated a certain dollar amount.

Diamond: Oh, (inaudible).

Ostrovsky: Yeah.

Diamond: Okay. So what do you want me to say?

Stoldal: Just we need to amend to include the technical...

Diamond: **I want to amend to include Carrie's statement.** I hope somebody has it (inaudible).

Stoldal: And who was the second?

Female: Seth.

Schorr: Second.

Stoldal: And you will accept those?

Schorr: **I accept the amendment.**

Stoldal: Okay. Further questions, comments? Hearing none, all those in favor say aye.

Group: **Aye.**

Stoldal: **Those opposed? Motion carries unanimously.** Our thanks to the Finance Committee for all their hard work and to Carrie.

Pine: And to Carrie and Peter.

Ostrovsky: Thank you.

Edlefsen: And if you guys think it's hard to read this and follow it, (inaudible) how it is to type and follow it in all the sections. But if I could give you a little trick.

Ostrovsky: Yeah.

Edlefsen: I have created a summary of the budget that shows what we're actually submitting up to the fund map. So if you're not interested in all the base detail and all the maintenance detail, it basically is all in those top summary pages. So that could help save you guys a little bit of confusion.

Diamond: And Renee Diamond for the record. Just like on the state budget, the maintenance items come from on high at the beginning of the budget process. So you have no real authority over it so you might as well not pay any attention to maintenance items that were (inaudible).

Ostrovsky: Mr. Chairman, just to conclude the Finance Committee Report, the Chair would just like to make a statement. After going through these budgets and after sitting through all the budget hearings relative to all the museums at the state legislature this year, it becomes evident to me as chair that we have a continuing funding shortfall, particularly for capital investment that's not going to get fixed by CIP budgets or general funds budgets in other ways. And I would recommend for us to discuss and put on the Agenda for our next meeting the development of some kind of a major donor committee that I'd be happy to be involved in. And we need to be thinking about how do we not look for \$1,000 and \$500 investments, trying to solicit from folks significant investments in our museum system, whether that is building a new store in Boulder City, going to the Mining Association and trying to upgrade the mining exhibit that's how old in your museum?

Barmore: We were just talking about that. It's 65 years old now.

Ostrovsky: Yeah. I mean it seems to me the mining industry might want to invest in some new technologies and upgrade that system. Those take millions of dollars, not thousands. And I think it's out there in the community. So I just recommend we put it on the next Agenda to talk about and create such a committee...

Stoldal: Yeah.

Ostrovsky: ...and try to get a plan together to try to at least ask. If you don't ask, you're never going to get. So we need to start asking.

Stoldal: And I'm going to let you bring that up under Item 18...

Ostrovsky: Okay.

Stoldal: ...Non-Agendized Items.

Barton: We put it on Number 19.

Stoldal: Under Number 19? Future Agenda items. Okay.

Barton: If I could, Mr. Chair, just make one statement...

Stoldal: Please.

Barton: ...related to budgets and staff. And this is Peter Barton for the record. Carrie Edlefsen recently completed and graduated from the state-certified public manager program. She is now a CPM, which there are only two in the entire Department of Tourism and Cultural Affairs. And so she joins an elite group of state employees that number less than 400 total statewide, as a certified public manager. So many of the streamlined processes that we're benefiting from come from her experience and training now as a CPM to streamline processes. Let's find some economies. We're for staff. We're down 20% from where we were. We are processing more and more documents, dealing with more and more things we never had to deal with in the past. And Human Resource management has largely fallen on our shoulders now. So it's imperative that we continue to find ways to economize. And I hear what you say about having to read these documents on a computer, but these were 500-page budgets. The cost and the time involved in producing them and shipping them is significant. And that's why SHPO is streamlined and said now that they're going forward. All their nominations are going to come to you electronically, because they're facing the same critical workforce shortage that we face as well.

Stoldal: Let me just suggest to you something though that's not the positive aside of that. And that as somebody that's on several civic groups and several committees, we're not getting the Agendas and the minutes and all that. They're sending it to us electronically and we have to print it out. And I'm spending more time at Office Max and Office Depot, whatever one still exists, buying cartridges. And there's some pushback.

Pine: That's right.

Stoldal: Because it is hard to read all this on a computer, and you do need to download some of this and the use of color sometimes. Yeah, I know where we're going, but the cost is not -- it's going...

Barton: It's shifted.

Stoldal: It's shifted to the people who are the volunteers and whatever. But thank you for all that and congratulations again for all your work, and thank you for entering all my 101 questions. Item No. 14. Bob, you're back on, Nevada Cultural Affairs Foundation.

Ostrovsky: The Cultural Affairs Foundation continues to negotiate with the Nevada 150 Foundation for developing a successor organization to take over that funding source. We pretty much have a general agreement amongst us, but it's the feeling of the parties, including myself, that we literally need the signoff of the Governor. We don't officially need it, but he has indicated an interest in mapping this money in his own mind how it's going to be authorized and spent. And so we're committed to meet with the Governor here shortly. We don't have a date yet to get his blessing and make sure we're doing it in accordance with how the administration would like to see this funding managed, because none of it's being spent yet, just managed.

Barton: And if I may for the new members. Mr. Chairman, if I could just...

Stoldal: Please.

Barton: ...jump in for a second. What we're talking about is the Nevada Sesquicentennial Foundation. Sun sets in a couple of months and they raised about \$2 million and there about \$400,000 to \$500,000 that remains that needs to find a new home. Alongside that, you had AB 24 in the last session which authorizes special sesquicentennial license plate. There are about 14,800 of those right now registered. And we'll be able to continue to sell them through October 31st of next year, 2016, and then the registration renewals generates some money, as does the plate sales. That money is through the law to come to the Nevada Cultural Affairs Foundation or its successor. And now that the Sesquicentennial Commission is going out of business, all that fund -- the residual money from the sesquicentennial license plate money, which is right now at about \$400,000 a year is what it's generating, comes over to the Cultural Affairs Foundation which has become a one-person operation called Bob Ostrovsky for the last number of years. And really he does not have the capacity to adequately manage this new fund.

So we're exploring the options on what becomes the son of the Cultural Affairs Foundation. And the Cultural Affairs Foundation was established initially as kind of the major donor committee, if you will, that we're talking about now, never realized its potential and gradually over time became much smaller. What it does provide is an effective firewall for many of the museums. For instance, if I go to the E.L. Wiegand Foundation and say I'm the new out-of-state museum. Would you give us \$200,000 for X project? They will come back and say we don't give money to state entities or public entities of government. So the Cultural Affairs Foundation, being a private nonprofit, became our firewall. They receive these funds then regrant them (inaudible)...

Ostrovsky: I would sign an agreement with Wiegand and then...

Barton: Right.

Ostrovsky: ...money would come to me, I would pass it then on to the state and then reports it out to flow back through me again.

Barton: So we don't want to lose that very important aspect of this, but by the same token, we need to find something or reenter it as a foundation...

Ostrovsky: But we have a plan, right?

Barton: Yeah, we do have a plan and we just need to vet that plan with the person that matters.

Ostrovsky: And that's all I have to report on the Foundation.

Stoldal: Great. Questions, comments? Hearing none, let's go to Item No. 15, Private Fund Budget adjustments, Item A, Changes approved by the Division Administrator. These two items are informational only. Do you have any questions? If not, there is no B, over \$5,000. Item C, Restricted Funds/Donations Received. Do we need a motion on that?

Barton: We do.

Ostrovsky: Yeah.

Stoldal: We need a motion on 15...

Barton: We do these individually.

Stoldal: ...C-1, Discussion and action on request to accept restricted funds in the amount of \$3,500 from the ASM Affiliates for the Nevada State Museum's Collection Care Fund.

Diamond: Move to accept. Renee Diamond.

Pine: Second. Janice Pine.

Stoldal: Questions? Hearing none, all those in favor say aye.

Group: Aye.

Stoldal: Those opposed? Motion carries. 15-C-2, Discussion and action on request to accept restricted funds in the amount of \$1,000 for Cora Johnson for the Nevada State Museum's Education Fund. Is that Carson City?

Barton: Yes.

Stoldal: Nevada State Museum Carson City Education Fund.

Ostrovsky: I would so move to accept those funds. Bob Ostrovsky for the record.

Diamond: **Second the motion. Renee Diamond.**

Stoldal: Any questions, comments? Hearing none, all those in favor say aye.

Group: **Aye.**

Stoldal: **Those opposed? Motion carries. Item C-3, that's 15-C-3, Discussion and action on request to accept restricted funds in the amount of \$1,000 from Hazel Woodgate for the Nevada State Museum, again Carson City.**

Pine: **Move approval. Janice Pine.**

Diamond: **Second. Renee Diamond.**

Stoldal: We have a motion and we have a second. Any questions? Hearing none, all those in favor say aye.

Group: **Aye.**

Stoldal: **Those opposed? Motion carries unanimously.** Item 17, Public Comment and Discussion. Public comment is welcomed by the Board. A period of public comment will be allowed after discussion of each action item on the Agenda, before voting on the item. Because of time considerations, the period for public comment by each speaker may be limited to three minutes. Hearing none, Board member comments on non-agendized items.

Ostrovsky: For the record, Bob Ostrovsky. I'll bring it up again, what I said earlier (inaudible).

Stoldal: 19.

Ostrovsky: I'd like to add to a future Agenda item for creating some kind of major donor committee to donors who will give directly to the Private Funds Budget, so we can begin to reach out a little bit and try to think about maybe upping our strategy session about if we even want to enlarge an institution or change the institute. It's going to take real money that's not available in the state budget for the foreseeable future.

Stoldal: Okay.

Ostrovsky: I'd like that agendized.

Stoldal: Okay. That's under 19 Bob was...

Ostrovsky: Yes.

Stoldal: ...addressing the item. Anybody see anything we need on the next Agenda that's not normally on there? Dan Markoff.

Markoff: Peter, I'd like to ask if we could put the Coach 17 back on it. See where we're going with that, if there's been any progress or stabilization or anything else.

Stoldal: We're 27 minutes ahead of time. So any other comments for Agenda items? If not, I look for a motion to adjourn. Oh, sorry.

Rasul: Sorry. For the record, Henna Rasul, Senior Deputy Attorney General. Because it's not designated as an action item, you can't make a motion or have a second. So I just recommend that you just end the meeting...

Barton: You don't need a motion.

Rasul: It could be -- in order...

Stoldal: Well, I like motions.

Rasul: I know, but (inaudible).

Stoldal: We're adjourned, 3:37 p.m.