

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-first Session
February 24, 2021**

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 3:29 p.m. on Wednesday, February 24, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

GUEST LEGISLATORS PRESENT:

Senator Moises Denis, Senatorial District No. 2

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Janae Johnson, Committee Secretary

OTHERS PRESENT:

Wesley Harper, Executive Director, Nevada League of Cities and Municipalities
Nancy Paulson, City Manager, Carson City
Chase Whittemore, Nevada Northern Railway Foundation
Mark Bassett, President, Nevada Northern Railway Museum
Caroline McIntosh, Chair, White Pine County Tourism and Recreation Board
Con Trumbull, Archivist, Nevada Northern Railway Museum
John Gianoli, Chairman, Nevada Northern Railway Foundation
Michelle Beecher, Mayor Pro Tempore, City of Ely
Frank Hughes, Curator of Education, Nevada Northern Railway Museum
Mary Kerner, President-Elect, White Pine County Chamber of Commerce
Joan Bassett, Curator, Nevada Northern Railway Museum

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Alicia Barber, Board of Museums and History
Peter Barton
Christopher MacMahon
Sean Pitts, Director, Northern Nevada Railway Museum
Marty Westland
Charles Donohue, Administrator, Division of State Lands, State Department of
Conservation and Natural Resources
Myron Freedman, Acting Administrator, Division of Museums and History,
Department of Tourism and Cultural Affairs
Eriks Garsvo, Director, Owyhee County Museum
Daniel Thielen, Director, Nevada State Railroad Museum
Todd Moore

CHAIR DONDERO LOOP:

I will open the hearing with a presentation from the Nevada League of Cities and Municipalities.

WESLEY HARPER (Executive Director, Nevada League of Cities and Municipalities):
I am here to present information about the organization as referenced from my presentation ([Exhibit B](#)) on Slide 2. The members are listed on Slides 3 and 4. The Executive Board Officers are listed on Slide 5. The At Large Members are listed on Slide 6.

Members receive and in turn provide services to the residents of Nevada listed on Slides 7 and 8. The State boards and commissions with appointments for its members are listed on Slide 9. National boards and commissions membership is listed on Slide 10. The League of Cities and Municipalities provides information and best practices for Nevada.

This Session, the bills for consideration are listed on Slide 11. The bills include Assembly Bill (A.B.) 3, A.B. 63 and Senate Bill (S.B.) 64.

ASSEMBLY BILL 3: Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)

ASSEMBLY BILL 63: Makes various changes relating to the financial administration of local governments. (BDR 31-404)

SENATE BILL 64: Revises provisions relating to taxation. (BDR 32-408)

The legislative priorities are listed on Slide 12. The federal priorities are referenced on Slide 13.

SENATOR NEAL:
What is 5G preemption?

MR. HARPER:
The federal government has made 5G rollout a priority for public service. This is the best technology available for cellular communication. There is a difference in how the architecture infrastructure for 5G is rolled out versus the existing technology. Cell towers for 5G have to be closer together than those for existing technology. The federal government gave the cellular carrier the latitude to build out 5G as they see fit to efficiently roll out the technology throughout the Country.

Prior to this change, if a company wanted to erect a cell tower, it would need local approval. The Federal Communications Commission has given permission for companies to have a preemptive right to build. It shifts the preemption; before it was a request from the cellular phone companies. We are looking forward to having more of a say in where the towers are built.

SENATOR OHRENSCHALL:
Will there be some assistance to the cities from Washington, D.C.? Is this the expectation or the hope there will be help coming this year?

MR. HARPER:
Yes. We are expecting the American Rescue Plan will provide direct funding to cities. This is the intention of Congress and the President. We are looking forward to a direct allocation of funds. The funds will be distributed for larger populations, and populations of 50,000 or less are under review. Our hope is the cities will receive direct federal funds.

CHAIR DONDERO LOOP:
Can you explain why the City of North Las Vegas is not included with your group?

MR. HARPER:

North Las Vegas was a member of the Nevada League of Cities up until two years ago. After a conversation with North Las Vegas around this topic, it looked at the value of being a part of the association versus the cost and whether representation met expectations. The City did not feel this was the case. Part of my job with the Nevada League of Cities is providing valuable membership services and advocacy worth the cost.

NANCY PAULSON (City Manager, Carson City):

I will start with the history of Carson City as referenced from my presentation ([Exhibit C](#)) on Slide 2. Carson City at 164 square miles is the smallest of all the counties in Nevada. There was star placed on the State map to mark the City with a population of about 56,000. We are the only municipality in the State. Carson City is a council-manager form of government as referenced on Slide 3. Running a local government like Carson City requires many wheels to operate it, and it runs like a well-oiled machine. Carson City is run by elected officials as referenced on Slide 4.

The Community Development Department is responsible for managing the construction-permitting processes as listed on Slide 5. The Fire Department functions are listed on Slide 6. The Public Works Department is the largest and is listed on Slide 7. The biggest challenge for the City is maintaining the streets with a limited amount of revenue received from fuel taxes. The annual budget for roads is \$4 million which creates an estimated annual funding deficient of \$15 million. Thanks to S.B. No. 48 of the 80th Session, the City was able to levy a 5-cent diesel fuel tax which provides \$400,000 in revenue. This fiscal year (FY) there has been a decline in fuel tax revenue, due to the stay-at-home orders. The Board did elect to transfer \$400,000 from our general fund to cover these losses. Fortunately, the Department's landfill brings in \$2 million to the general fund.

The Health and Human Services Department, listed on Slide 8, oversees the inspections and permitting of food establishments, childcare facilities, hotels and motels. Carson City's Parks, Recreation and Open Space Department is listed on Slide 9. In 1996, the voters passed a ballot question to increase the sales tax levy by a quarter of a percent. The money is used to fund the acquisition, development and maintenance of parks, open space, trails and recreation facilities. Sales tax raises approximately \$2 million annually that allows the City to fund projects like the Aquatic Facility. There have been

21 properties acquired or 7,000 acres. The outbreak of Covid-19 brought unprecedented usage of Carson City's open space. We had to start policing people on the trails with the pandemic.

The fiscal year 2020-2021 budget for Carson City is referenced on Slide 10. The two-largest revenue sources for the general fund are property tax at \$27 million and consolidated tax (CTAX) at \$31 million. The total budgeted revenue for FY 2020-2021 was approximately \$82 million in the general fund. Property tax and CTAX make up 70 percent of the general fund. The unforeseen closure of nonessential businesses in March 2020 hit when we were looking to finalize our FY 2020-2021 budget. The last four months of FY 2019-2020, the City dropped revenue projections for sales tax by \$3 million. There was another \$4 million cut from FY 2020-2021. These budget cuts wiped out the planned capital budget for FY 2020-2021. Federal aid helped the economy with the Paycheck Protection Program for city businesses, the Federal Pandemic Unemployment Compensation under the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, and the stimulus checks. The City did not see a large drop in sales tax, and the City was able to reinstate the planned capital budget.

The general fund expenditures for FY 2020-2021 totaled \$74 million and are listed on Slide 11. The public safety expenditure is the largest at \$35 million, and this includes the fire department, sheriff, juvenile detention, probation, and alternative sentencing departments. The general government at 25 percent includes all the departments in city hall, finance, information technology, human resources, city manager, assessor, treasurer, district attorney, community development and facilities. The pandemic changed the way we provide services to the public. The City has remained fully functioning throughout the entire pandemic, only closing for two months to the public between March and May 2020.

Expenditure categories for FY 2020-2021 are listed on Slide 12. Salaries and benefits account for 75 percent of the City's general fund expenditures. The City has 600 full-time employees of which 448 of those are paid from the general fund. The City is bound by ten separate employee agreements. Development in Carson City is referenced on Slides 13 through 17. There are several projects going forward, and Covid-19 had no effect on these projects. Commercial projects include Dutch Bros Coffee Shop and Panera Bread on West Appion Way.

Investments the City is making for the future are referenced on Slides 18 and 19. The Board approved a levy of 0.125 percent sales tax for public infrastructure projects. The downtown streetscape improvements on Carson Street have created new businesses. The completed South Carson Street project will improve vehicle safety travel.

The Covid-19 response is listed on Slide 21. The Health Department's budget is \$9.4 million and has an increase of \$3 million for the influx of grants received from the Covid-19 pandemic which is listed on Slide 22. The Health Department has 38 full-time employees which changed to 66 with the pandemic. This does not include the Nevada National Guard and the Federal Emergency Management Agency (FEMA) employees helping with testing and vaccines.

The time frame on the Covid-19 response is just over one year as referenced on Slide 23. Carson City has received 17,000 vaccines for Covid-19. With the volunteers, National Guard and FEMA, the City should be able to administer 7,000 vaccines each week. The Covid-19 response has been 100 percent grant-funded. The City received \$10.2 million from the CARES Act as referenced on Slide 24. Vaccine and testing events have been ongoing, regardless of weather conditions, to administer 7,000 vaccines each week for Carson City and the surrounding counties.

SENATOR HANSEN:

Carson City offices were only shut down for a couple of months, is that correct? Were you open at 25 percent or 35 percent? How did that work out?

MS. PAULSON:

Yes. All City offices were closed to the public, but many of the employees remained still working. All City Hall employees were coming to work physically. At one time, 200 employees were working from home, and there are still some working from home with guidelines from the Governor.

SENATOR HANSEN:

Were the buildings open to the public?

MS. PAULSON:

For a two-month period, they were closed to the public, but we have been open since.

SENATOR HANSEN:

Since May, have you seen a spike in the staff with Covid-19?

MS. PAULSON:

No.

SENATOR HANSEN:

The reason I am asking is as the City offices are open, the Legislature is closed to the public. This is a great example of why the Legislature should be opened.

CHAIR DONDERO LOOP:

I would just remind you there are 1,000 people in this building which is different than 50 people in a city building.

SENATOR NEAL:

On the property tax, 32 percent of the budget is property tax. How is the government planning for the future? New construction in the first year is not abated, but afterwards it is abated. How are you planning the budget, knowing your gross is going to plateau and not be the same influx with abatement?

MS. PAULSON:

The property tax has been slow and steady because of the abatements. Over the last several years, we have only seen between 1 percent and 5 percent increases since FY 2013-2014. The property tax between 2014 and 2020 has only increased by \$4.8 million. There is a much larger increase in the sales tax revenue. The sales tax that has come in from last year will be one-shot funding. We are taking any excess funding to build up the ending fund balance in the general fund. We are moving some excess revenue into the maintenance fund to take care of capital needs.

SENATOR OHRENSCHALL:

What kind of response are you finding for vaccinations? Are people wanting to get it, or are there any hesitations for people getting vaccinated in Carson City?

MS. PAULSON:

We are seeing a fifty-fifty response on this. The senior citizens are grateful for getting vaccinated. We are trying to get vaccines for City employees.

CHAIR DONDERO LOOP:

We will open the hearing on S.B. 87.

SENATE BILL 87: Revises provisions relating to certain state property. (BDR 33-487)

SENATOR MOISES DENIS (Senatorial District No. 2):

I am here to present S.B. 87 which will transfer real property to the City of Ely and the Nevada Northern Railway Foundation. The East Ely Depot and the Freight Barn were transferred to the City of Ely from Kennecott, now known as Rio Tinto, in 1985. Specific guidelines for the transfer required the buildings to only be used for the White Pine Historical Railroad Program. In 1990, the City of Ely and the White Pine Historical Railroad Program transferred the buildings to the State, because neither had substantial funding. The State agreed to facilitate the creation of a major museum at the site of the building.

The State operates a small museum on the second floor of the East Ely Depot. However, visitation over the last 30 years has not generated sufficient funds for the State to establish a larger museum. The City of Ely and the Nevada Northern Railway Foundation, formerly known as the White Pine Historical Railroad Program, have the money and capability to create a long-awaited museum using the existing Freight Building. The building is quite large and offers the infrastructure for a museum that could represent a substantial benefit to the tourism industry in Ely and northern Nevada.

Statute establishes the Division of Museums and History in the Department of Tourism and Cultural Affairs that consists of various museums and historical societies, including the East Ely Depot Museum. Section 1 removes the East Ely Depot Museum from this list of institutions. Section 2 requires the State Land Registrar to transfer the East Ely Depot and Freight Barn to the City of Ely and the Nevada Northern Railway Foundation or its successor organization.

A friendly amendment will transfer all artifacts and records to the Foundation originally transferred to the State in 1991. The goal is to properly store, display and digitize them for public benefit. On a personal note, my youngest was into railroads. We had a goal to see all the State railroads. The State is not able to fund everything. This is an opportunity to do something for the Museum and the City of Ely. This will bring tourism and help preserve the railroad to make it seamless. There are two museums when you visit this site, the Foundation and

the State Museum. It is bit confusing with the two entities when visitors go to this location.

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Senate Bill 87 is a straightforward idea. I am familiar with the Freight Barn and spent lots of hours there with Pete Paris and Gracian Uhalde. We call the Freight Barn the wool shed. It is where you loaded trainloads by pushing around hand trucks with bags of wool that weighed 350 pounds. I would push them out to the boxcars and stack the wool bags. When the Freight Barn is mentioned, it is the wool shed.

From my perspective, it has been an ongoing debate between the Foundation and the Museum, transferred in 1985 to the City. Unfortunately, the State, especially this past decade, has not had the ability or the dollars to bring the facility to where it needs to be. If the train goes away, which is the attraction, the Museum and the second floor in the Depot Building are not going to draw any visitors.

Out in the community, the belief is the settlement with the Foundation will put in funds for the property. The Freight Barn as it is today has the ability to be opened and functioning. The east end of the Freight Barn has a lot of exhibits that need to be completed and open to the public. The Foundation is the crown jewel, and we need to show the artifacts in the building to the people of Nevada and the Nation. The amendment to S.B. 87 has some things transferring to the Foundation. The community and the facility will be better serviced under the Foundation.

CHASE WHITEMORE (Nevada Northern Railway Foundation):

Kennecott donated the entire railroad to the City of Ely over 30 years ago as referenced from my presentation ([Exhibit D](#)) on Slide 2. What the State has done with the assets is referenced on Slide 3. There is a map of the complex on Slide 4 and a color-coded page showing the assets of the East Ely Depot on Slide 5. Slides 6 through 8 show the fixes needed for the East Ely Depot. The Foundation plans to keep the exhibits in each of these rooms and move into the administrative offices on the second floor. There are pictures of the exhibit rooms on Slides 9 and 10. There is lots of maintenance needed for the Depot, and the fixes are on Slides 11 through 13. The Foundation would like to take control of these buildings and put in the necessary repairs.

What the Foundation does is referenced on Slide 14. Building projects the Foundation has done are shown on Slides 15 through 18. All the restoration projects have been approved by the Office of Historic Preservation in accordance with the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties.

Support S.B. 87 as its enactment will increase visitation and tourism to White Pine County as referenced on Slide 19. The nonintegrated operations create structural problems to the Museum as on Slide 20. The Belmont Courthouse was transferred from State ownership back to Nye County as referenced on Slide 21. Can the State sell these buildings? The short answer is no. The original deed from Kennecott states the buildings are donated for the express sole purpose to develop a historic railroad museum as referenced on Slide 22.

The Freight Depot is closed, and the Foundation would open the Freight Depot as referenced on Slides 23 and 24. The Foundation does have the capacity and funding to protect the historical integrity as detailed on Slide 25. The FY 2020-2021 budget is on Slide 26 with attendant operating expenses on Slide 27. The Foundation does have the experience and expertise. The Railway's curator, archivist and a curator of education are shown on Slides 28 through 30.

What happens to the records and artifacts? The Foundation is proposing a friendly amendment ([Exhibit E](#)). There are two examples of how the records are being kept by the State on Slides 31 through 33 of [Exhibit D](#). The Foundation would take care of the records if S.B. 87 is passed as addressed on Slide 34. An example of what the Foundation has done for online archiving is on Slide 35.

Why does the Nevada State Museum oppose this legislation? The interim director of museums believes this sets a dangerous precedent as noted on Slide 36. Foundation activities are heavily regulated by organizations depicted on Slide 37. The Foundation has overwhelming local support as referenced on Slide 38. Numerous letters and emails for support of S.B. 4 are available at the Legislative Counsel Bureau website, Foundation accomplishments are on Slide 39.

SENATOR NEAL:

I heard the arguments and looked at the fiscal notes of roughly \$5 million the State will lose by this transfer. The gift was given, but you are alleging the

Division of Museums and History has not been a good steward with the gift. If I am understanding this, you want it back. I am not understanding why the State should give it back. If the gift was given, then why not work together to make a partnership?

MR. WHITEMORE:

The Department of Tourism and Cultural Affairs, Division of Museums and History, put the fiscal note on because of the artifacts in the original bill. The artifacts and records stay with the Nevada State Museum system. Under the proposed amendment, [Exhibit E](#), all artifacts and records given to the State would be returned to the Foundation. This would not cost the State money to build another facility for \$4.8 million which was stated in the fiscal note. In terms of working together over ten years with maintenance and upgrade issues, we have disagreements about these problems. Visitors are confused because there are two separate entities operating the railway.

The Foundation would like to put it under one operation to make it seamless and provide the maximum experience for visitors and tourists. Although the State has done an adequate job of protecting the records, it has not done the best job possible. The visitors who come to the museum should not see a difference in operations. The proposed amendment allows taking back the records to digitize and display them for the public, which the State has not done in 30 years. The Foundation has the money, experience and expertise to do that.

SENATOR OHRENSCHALL:

On the deed restrictions, if [S.B. 87](#) passes, will those deed restrictions make sure this cannot be turned over to another entity to use it for something else? It sounds like the Foundation is doing great work, but what if in ten years it goes under, or the people do not want to operate a nonprofit anymore? What kind of guarantee would there be that this would continue and preserve these treasures as a railroad museum?

MR. WHITEMORE:

Yes. The deeds are deed-restricted. The original transfer from Kennecott restricted the deeds. The transfer from the Foundation and the City of Ely to the State also restricted the deeds. No third party could come in and operate a different business under the deed restrictions. The restrictions remain under [S.B. 87](#).

SENATOR OHRENSCHALL:

Are the deed restrictions in perpetuity or is there a period of time they would expire?

MR. WHITTEMORE:

No. There is no expiration to those deed restrictions.

SENATOR HANSEN:

It is devastating to see the historical documents covered in dust and boxes tipped over. If the State has had this property for 30 years and this is the condition the buildings are in, it is devastating. To confirm, you said the Freight Barn is closed 330 days out of the year?

MR. WHITTEMORE:

Yes. The Freight Barn is closed but opens for a few special events during the year. The goal of S.B. 87 is to have this building returned to the Foundation to invest millions of dollars and open the new museum for the benefit of the public.

SENATOR HANSEN:

After seeing how the State has taken care of this building for 30 years by letting it fall apart, the bill has strong merit based on the devastation shown in the presentation, [Exhibit D](#).

CHAIR DONDERO LOOP:

Mr. Bassett, can you give us your treetop overview of why you are the expert here?

MARK BASSETT (President, Nevada Northern Railway Foundation):

I have been involved with the railroad for 21 years. I became the boss of the railway 18 years ago. During this time, the Foundation has grown in leaps and bounds. We have developed programs in the Depot, Transportation Building, Engine House and the Machine Shop. When you visit the Nevada Northern Railway, you can walk from the Depot past the Freight Barn, which is closed. Then you walk down to the Engine House and see the locomotives.

The Foundation's vision is to have visitors come to the Depot to purchase their tickets and walk down to the Freight Depot to see the history of the railroad. After they learn how the railroad was built and the importance of copper mining

in White Pine County, then visitors could go to the Machine Shop and Engine House to see the steam locomotives. This would provide a well-rounded experience for the visitors.

The No. 1 question we are asked on a daily basis is "Where is the museum?" People come to a museum expecting a building, not a large complex spread out over 56 acres. After visitors learn about the area, they become excited. The Foundation's plan is to develop the Freight Depot as the museum. After the visitors visit the buildings, they can get on the train and have everything tie together.

CHAIR DONDERO LOOP:

Is anyone being trained or mentored to take this job if you leave?

Mr. BASSETT:

Yes. In 2004, I recognized the need to train someone when one of the senior staff members passed away overnight. I have worked diligently to develop the staff. There are three generations working at the railroad. The Brickbeard family is teaching the middle generation how to run the railroad; the middle generation is teaching the next generation. I have an employee who was hired when he was 14 years old and has worked with us for 4 years. He is learning a lot.

When Trainmaster Angela Stevens started 11 years ago in the gift shop, she wanted to transfer down to the Machine Shop. She worked there for years, then I promoted Angie into a Trainmaster who manages the operation of trains. She manages the staff and volunteers who learn how to operate the equipment. Angie's daughter, Cherish, started working with us a year ago with housekeeping, but she would like to follow in her mother's footsteps, and we are training Cherish. We have a large reach and have become a large corporation. Lots of people out there could fill my shoes if I leave.

CHAIR DONDERO LOOP:

Can you tell me how many people could be at risk of losing their jobs if S.B. 87 was passed?

MR. WHITEMORE:

Three, there are two full-time employees and one part-time employee. The Foundation is committed to offer employment to these individuals to help operate the future of this facility.

SENATOR OHRENSCHALL:

If the bill passes, are the artifacts, historical documents and train schedules something the Foundation and the City of Ely are committed to preserving? This would not be sold?

MR. WHITEMORE:

No. We would never sell those artifacts and records.

CAROLINE MCINTOSH (Chair, White Pine County Tourism and Recreation Board):

I was born and raised in Ely. The passage of S.B. 87 is important to White Pine County. As the Chairwoman of one of local economical drivers, we need all the public spaces open and utilized, including the Freight Depot. After 30 years, the Division of Museums should have been able to open the Freight Depot. The current condition is unacceptable to the community. White Pine County Tourism and Recreation annually awards many grants to the Foundation, the City and many other entities.

The East Ely Depot has never applied for grant funding from White Pine County Tourism and Recreation. The Foundation is a financially solid entity that is audited annually and continues to grow. The Foundation is aggressive about applying for and obtaining grants. The City of Ely and the Foundation have the commitment to restoring the Freight Depot. By passing S.B. 87, the Freight Barn will be restored and opened for all to enjoy the cultural and historical assets that should have been available for the past 30 years.

CON TRUMBULL (Archivist, Nevada Northern Railway Museum):

I have a bachelor's degree in science and geology with a focus on mining. I have nine-and-a-half years of mining and records administration experience. Along with experience gained as a volunteer, board member and staff member in the history departments at 12 different museums in 3 states, I am a published author and member of the Society of American Archivists. I would qualify as archivist with the State's system. My position at the Museum places the paper records and photographs under my care.

In 2020, we released the public archives site; to date, the site has reached over 9,000 users from various states, Canadian provinces and over 50 countries around the world. I have received research requests and shared our story on social media to over 100,000 followers. I complete newspaper articles, newspaper press releases and work with other groups to make this information

publicly available. I have created protocols on public records based on current and best practices, including those through the National Archives.

We plan to continue expanding the archives site; collect oral histories; partner with other organizations for outreach with other museums; and develop programming at the Museum and online to present the archives to the public. We do several grants raise funds and are expanding the volunteer base in the archives department. The records and artifacts received from the State would fall under the preservation records protocols and would focus on access to the public through our online platform. I strongly support S.B. 87.

JOHN GIANOLI (Chairman, Nevada Northern Railway Foundation):

I am the Chairman of the Board for the Nevada Northern Railway Foundation; President and Chairman of the Board for the First National Bank of Ely, Nevada's oldest bank; and a lifelong Nevadan, born and educated in Nevada. I am married for 44 years, have 2 daughters and 3 grandchildren. My family involvement with the railroad goes back to 1925 when my grandfather, Art K. Hill, was hired by the railroad and was chief mechanic officer, working there until his passing in 1964. My eight-year-old grandson Jack has amazing knowledge and a great love for the complex. This multigenerational connection highlights the important heritage of this amazing national landmark for future generations. My family and business have been major contributors to the railroad for decades. We have overwhelming community support for this bill. The complex can be best serviced to reach its full potential if it is unified. I support S.B. 87.

MICHELLE BEECHER (Mayor Pro Tempore, City of Ely):

The City completely supports S.B. 87. In the event these buildings are transferred back to the City of Ely and the Foundation, this will create no increase in costs for the City. The City hires an independent CPA firm to audit the Foundation annually. We keep well-versed in its financial condition. If these buildings are put under the operation of the Foundation, it will increase City revenue by allowing the complex to achieve its full potential. By doing this, we can attract more visitors and increase room nights and economic activities in the area.

A recent press release for the star trains has brought visitors from all over the world. Having these additional buildings to cultivate into a full museum would be good for this community. I live in this community, and my family has been here for five generations. I see what is happening at the complex, and these

two buildings lay dormant while the complex around them thrives and flourishes.

The Foundation has upgraded dozen of buildings in the complex and has a proven track record of raising millions of dollars for rehabilitating and upgrading the complex. The State has threatened twice to close the Museum due to budget shortfalls. The Foundation does have financials to keep the Museum open. The community is thankful to the State for what was done in the early days. It is long past time to maximize the use of these buildings and allow the Foundation to make the complex what it could be. I support S.B. 87.

FRANK HUGHES (Curator of Education, Nevada Northern Railway Museum):
I have a bachelor's degree in elementary education from Montana State University. One of the bigger projects I am working on is building lesson plans about our railroads for teachers to use. The Nevada Northern Railway has a rich history and is ripe for teaching modern mining practices in White Pine County. We have letters of application dating over 100 years old from ordering supplies to communication between the mechanic and general manager for ore cars damaged due to sulfur when using dynamite for unloading.

All of this information shapes the history of Nevada and its people. Using this information in lesson plans allows students a tangible glance into Nevada's past. The lesson plans will highlight the national historical landmark and tie real places into interesting concepts students are learning about.

The National Park Service's classroom-ready lesson plans will be available for any teachers wishing to use them. This will help bring the railroad visibility to not just Nevada but across the Country. I will schedule times for guided tours of the complex outside the regular train excursions. I support S.B. 87.

MARY KERNER (President-Elect, White Pine County Chamber of Commerce):
The Chamber supports small businesses in the area and depends greatly on tourism. The railroad is a huge driver of room nights and tourist-related dollars injected into this community. It seems more efficient to have the Freight Barn and the Museum operate under one entity. The hours of operation would match the gift shop when passengers are riding the train. Mark Bassett and his group have done a great job in restoration to keep things in shape. From an economic perspective, the railroad employs 20 people which is substantial for a small rural business. Every time I have been to the Depot, the Museum upstairs is closed,

and this is during train ride times. The railroad is a vital component to our economy. Passing S.B. 87 will help the railroad achieve its fullest potential.

JOAN BASSETT (Curator, Nevada Northern Railway Museum):

I have a bachelor's and an MBA. I have been a researcher at Colorado State University for 11 years. I have restored two homes, a commercial building and a trolley line. While at the Museum, I have been building up the archives. I have implemented protocols and created a library; researcher photo archive; inventory assessments of the buildings and over 100 pieces of rolling stock, including the 4 steam locomotives; archives of VHS and CDs along with PastPerfect Software for museums; and displays on the property, on a downtown window and at the local senior center.

I now have an archivist and a curator of education. The archivist is documenting and uploading searchable documents online for anyone to use. He is focusing on 1906- to 1920-dated documents and letters located in the Warehouse. The curator of education is developing a program for when young students visit the facility. We have followed the Secretary of Interior's Standards for Historic Preservation and consulted with the Office of Historic Preservation. We are members of the American Association of Museums, Nevada Museums Association and American Association for State and Local History. I am a member of the Society of American Archivists. I support S.B. 87.

ALICIA BARBER (Board of Museums and History):

Please consider what it will mean to Nevada to forward S.B. 87 to the Senate. You are asking to participate in a hostile takeover. The bill would take one of Nevada's seven State museums away from the State and give it to another entity against the will and professional advice of the Division of Museums and History, Department of Tourism and Cultural Affairs, and the Board of Museums and History. It attempts to sidestep these entities by taking the decision straight to the Legislature. This strategy successfully allows entities outside of the State Museum Division to control the narrative about the Nevada Northern Railway Museum with a highly subjective and misleading version of events.

If you allow this bill to proceed, you will allow an outside entity to dictate the terms of the discussion and put the State's own professional Museum Division on the defensive rather than treating its expert staff as a source for accurate information about what it takes to responsibly operate this Museum and care for the collection. It places the Division in an extremely uncomfortable position of

taking sides against the very entity whose partnership is essential to the continued operation of this Museum. The governing question is not who can run this Museum better but how can this public-private partnership be strengthened in order to not eliminate but take advantage of these entities' combined expertise for resources and funding.

I hope you might consider how the Legislature can instead help to facilitate a productive partnership at this Museum. Whether it is through funding an independent consultant to analyze the situation and report back to the Legislature or to boost the capacity of the State to accomplish some of these tasks, we all want to see this completed in Ely.

PETER BARTON:

As the immediate past administrator of the Nevada Division of Museums and History, a role I served in for 15 years until I retired early last year, I have considerable knowledge of this matter. I will make three brief points in opposition to S.B. 87 as referenced from my testimony ([Exhibit F](#)).

SENATOR OHRENSCHALL:

We heard testimonies of long periods of time where these improvements have not been made. What has been happening? What have been the obstacles for these improvements, and why have they not been made? Why does the Museum not have the same hours as the rest of the railway? Can you explain why that is?

MR. BARTON:

Back in 2008-2009 during the Great Recession, we did have significant cutbacks to museums. We were the only division reduced to part-time employees. This impacted museum hours and staffing in a negative way in Ely. Recovery was not made until 2013, and staffing was not restored until the 2017-2019 biennium. It has been a long struggle to get staffing and resources in Ely. We did reorganize the railroad museums, and there are three railroad museums in Nevada which are operated by the State.

We gave the curatorial staff in Carson City responsibility for the entire railroad collections. This has been a bit slow to get under way. We received grant funding and are using some of the sesquicentennial license plate proceeds to make new exhibits for the second floor of the Depot. This includes making a significant ADA improvement to have an orientation film on the first floor of the

Depot. There are mobility challenges to climb the stairs to the second floor of the Depot. We want to offer an experience for all visitors on the first floor.

We were approved conditionally for making improvements to the Freight Building with a fire suppression system from the State Public Works Division. It was determined the City's infrastructure could not support such a fire suppression system in the Freight Building and would require a much higher level system. This was a setback. We want to make this space code-complaint and safe for the public. One challenge we faced, working through the Historic Preservation Office, was life safety improvements to the historical Freight Building could destroy or remove some of the historical fabric. Assembly Bill No. 84 of the 80th Session was a major turning point in having resources available to make these improvements.

CHRISTOPHER MACMAHON:

I am a Ph.D. candidate from the University of California with emphasis in Nevada history and public history. I chair the Interpretation Committee for the Friends of the Nevada State Railroad Museum in Carson City. I grew up in Carson City and after returning home from serving in the U.S. Navy, I have been a volunteer at the Nevada State Railroad Museum in Carson City since 1996. I have continued to play an active role at the Museum for historical preservation and education missions throughout the State. Nevada history is near and dear to me; therefore, I oppose S.B. 87.

The East Ely Depot Museum—in addition to the historic structures themselves—houses unique artifacts and documents that provide historians and visitors a rare view of the railroad administration. The State museums are run by staff with graduate-level training who are prepared and trained to protect this collection. In contrast, the Foundation has no professionally trained historians on staff. Professional expertise is important in historic preservation. The Foundation has a documented record of taking shortcuts and destroying rare artifacts.

In the early 2000s, the Foundation was looking for an additional railroad passenger car and chose the former wrecking car that bunked and housed crews that cleared wreckage from railroad accidents. Several historians and railroad preservation experts told the Foundation this car was likely the only one of its kind left in the United States. Knowing it owned this unique piece of history, the Foundation ignored all professional advice and gutted the car which any destroyed any chance of future study or potential tourism from displaying

such a rare artifact. The Nevada museum system was designed to protect artifacts and showcase the vibrant history and culture of Nevada. The East Ely Depot Museum does just that. Adopting this bill puts this mission at risk. It puts history for sale to the highest bidder or those with the right connections.

SEAN PITTS (Director, Northern Nevada Railway Museum):

I am opposed to S.B. 87. This is the fourth attempt to return State-owned and restored buildings to people who asked the State to take them in 1991. In three former legislative sessions, this request was thoughtfully discussed and rejected because it was not in the best interest of Nevada residents or visitors.

Three separate sessions of Legislators and three different Governors did not support this idea for the following reasons. It is financially unsound. I am suspect to the opportunity to be offered a job from the Foundation. It is economically unwise to return property given to the State to restore; the State did restore and invest \$3.2 million to preserve the buildings with maintenance and availability to the public for three decades—only to give it away with no remuneration to compensate the residents of Nevada and the taxpayers.

It is professionally dishonest for the State to accept an artifact like a building and promise to care for it in perpetuity—the initial deed did this when the City and the Foundation gave these buildings to the State—and then pull back from these promises to maintain these buildings. Finally, this is ethically flawed to give something away you cannot afford and then to ask for it back with the buildings in better shape than when given away. When the State acquired the Freight Building, it was condemnable; now it is operational and open to the public.

Because of the nature of the artifacts and because we have not been given permission from the State Fire Marshal to open it full time, the Freight Building is available only seasonally, but it is available to anyone during that season. White Pine County Tourism has partnered with the Railroad, and we let it use the building for free. Anyone on any day during any summer is welcome to use the Freight Building. There is a standard set fee that applies to everyone who wants to utilize the building. The State is an excellent steward of this. The fact there is a collection at all is because of the tens of thousands of dollars the State has invested in the archival material.

MARTY WESTLAND:

I am opposed to S.B. 87 as referenced from my letter of opposition ([Exhibit G](#)).

CHARLES DONOHUE (Administrator, Division of State Lands, State Department of Conservation and Natural Resources):

I am neutral to S.B. 87 as referenced from my testimony ([Exhibit H](#)).

MYRON FREEDMAN (Acting Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs):

I am neutral to S.B. 87 as referenced from my testimony ([Exhibit I](#)).

ERIKS GARSVO (Director, Owyhee County Museum):

I am opposed to S.B. 87 as referenced from my letter of opposition ([Exhibit J](#)).

DANIEL THIELEN (Director, Nevada State Railroad Museum):

I have been in the industry for many years with a strong background in facilities, design, maintenance and construction. I have 40 years of experience in modern and historic steam operations and have a master's degree in museum management. We operate a steam program in Carson City and are consistently challenged to maintain artifacts in perpetuity against high demand from the public. We strike this balance hard on preserving the historic fabric for future generations. We made the decision to protect the artifacts and the public.

My concerns for transferring the items into public trust is what happens when they leave control of the State. We made a promise to keep the Depot in perpetuity. We did not promise to release it when another organization determined how it was being used. We did not promise to keep it until someone got a lobbying group and lawyer to take it. We have had attempts to remove the artifacts through legislative power in the past. Museums are not warehouses to be picked through.

Past performance will advise future behavior. I am opposed to the Nevada Northern Railway Foundation's past performance, and I will cite a few of its preservation practices. For example, the Engineer's Building is a terrific structure that no longer tells the public how math, pencils, papers and slide rules tamed the American West. The Engineer's Building is now an out-of-context hotel in a town filled with vacant hotel rooms. The Foundation elected to subordinate some public safety issues by not providing sprinklers or exit signs. A tortured

reading of the codes was enlisted and approved by a business official. But you have to ask, is this the safest route?

The Fire and Ice Fireworks Train is part of the rolling stock that is rare and irreplaceable with great importance. I cannot tell if the Foundation follows the U.S. Secretary of Transportation or the Department of Transportation by parking cars between the public and commercial fireworks. I cannot imagine the risk assessment that determined this was a good idea. Even removing the public safety aspect, how do we protect artifacts from consumption by placing explosives and fire within them? We have partnered with the Nevada Northern Railway Museum and have tried to assist in everything it has asked for. I am opposed to S.B. 87.

MR. WHITEMORE:

I look forward to following up with the Committee about S.B. 87.

CHAIR DONDERO LOOP:

That closes the hearing on S.B. 87 and opens public comment.

TODD MOORE:

I would like to speak on S.B. 87. All the information shown projects income, revenue and expenses for FY 2020-2021. It is important for the Committee to know the historical performance of the Nevada Northern Railway Foundation to determine whether it has the resources to take adequate care of the East Ely Depot. The Legislature may have the power to transfer the East Ely Depot to the City of Ely and the Foundation, but that does not mean it should exercise this power.

In fact, transferring State historic assets by legislative action is the worst way to decide whether to take care of historic assets on behalf of Nevadans. There is a process in place by which the Division of Museums can deaccession items for care or that do not belong in the State's museum system. This is not an idea by the museum system but brought by the Foundation, which probably for the first time of its existence has enough money to pay a lobbyist. Therefore, I would ask the Committee to vote no on S.B. 87.

CHAIR DONDERO LOOP:

Just a reminder, public comment is on anything but the bill that was just heard.

MR. PITTS:

The East Ely Railroad Museum has requested the funds from the State of Nevada Capital Improvement Program. Every single biennium since we have started, we have crossed off 60 percent of the projects started. Many things are done in-house with donated materials from the community.

MR. THIELEN:

We took an opportunity to deaccession an item at the request of the Nevada Northern Railway to transfer Nevada Northern No. 21 in 2003. This artifact was a good candidate and more important to Ely than Carson City. We went through this process with the Board of Museums and History for approval to make the item available for transfer, but the Foundation has not retrieved this item. The State continues to protect it from damage. We have an artifact that belongs in Ely. What is more important than the artifact not being claimed?

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CHAIR DONDERO LOOP:

Seeing no further business, I adjourn this meeting at 6:11 p.m.

RESPECTFULLY SUBMITTED:

Janae Johnson,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	2	Wesley Harper / Nevada League of Cities and Municipalities	Presentation
	C	2	Nancy Paulson / Carson City	Presentation
S.B. 87	D	2	Chase Whittemore / Nevada Northern Railway Foundation	Presentation
S.B. 87	E	1	Chase Whittemore / Nevada Northern Railway Foundation	Proposed Amendment
S.B. 87	F	1	Peter Barton / Division of Museums and History	Testimony
S.B. 87	G	1	Marty Westland	Letter of Opposition
S.B. 87	H	1	Charles Donohue / Division of State Lands	Testimony
S.B. 87	I	1	Myron Freedman / Division of Museums and History	Testimony
S.B. 87	J	1	Eriks Garsvo / Owyhee County Museum	Letter of Opposition