

# SECTION 305 FINANCE SUB COMM

MINUTES

APRIL 6, 2011

3:00 PM EST

CONFERENCE CALL

<b>FACILITATOR</b>	<i>DJ Stadtler, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
<b>ATTENDEES</b>	<i>DJ Stadtler, Brent Thompson, Shayne Gill, Rob Edgcumbe, Steve Hewitt, Whitney Phend, Mark Yachmetz, James Donlin, Nancy Greene, Leo Penne, David Ewing, Bill Bronte</i>
<b>ABSENTEES</b>	<i>Paul Nissenbaum, Chad Edison, Amy Arnis, Juli Salvi, Scott Witt, Ken Uznanski,</i>

## DECISIONS MADE

DJ Stadtler called the meeting of the Finance subcommittee to order, the roll call was taken, and a quorum was established.

Agenda items:

1. Approval of the Minutes of the Finance subcommittee from March 9, 2011 and March 23, 2011.
2. Review of the revised draft Scope of Work and Budget for Structuring and Funding Options
3. Open Discussion

### **Item 1- Approval of the Minutes from March 9, 2011 and March 23, 2011**

On a motion by Rob Edgcumbe, and a second by Brent Thompson, the minutes of the Finance subcommittee conference calls of March 9, 2011 and March 23, 2011 were approved without exception.

### **Item 2 – Review of Revised Scope of Work and Budget for Structuring and Funding Options**

Rob Edgcumbe provided an overview of a revised Scope of Work/Budget for Structuring and Funding Options Working Group. Rob reviewed the differences between this version and the previous version which had been presented on the March 23<sup>rd</sup> subcommittee conference call, and had been circulated to the Executive Board in advance of its conference call of March 29, 2011.

The primary focus of the summary provided by Mr. Edgcumbe was a review of the timeline/schedule described in the revised draft. The schedule calls for completion by the end of September, 2011 (week 39), but it is anticipated that it is possible it could move more quickly than that. The general sense of the members on the call was to progress the effort as rapidly and realistically as possible. Bill Bronte mentioned that it would be prudent to complete the effort on time for the September meeting of the Executive Board which is expected to take place on September 16, 2011 in Charlotte, NC. (It is intended to be held in conjunction with AASHTO's Standing Committee on Rail Transportation (SCORT) meeting September 11-15, 2011)

When discussing the Budget portion of the draft proposal, Mr. Edgcumbe stated that he had yet to finalize the costs for consultant services (some are internal). He has a number for Amtrak and was looking for a number from AASHTO – primarily in relation to David Ewing's consultant costs and any other AASHTO costs anticipated. Once he has these numbers – he will get input from DJ Stadtler before circulating a final draft.

Leo Penne, AASHTO, clarified 4 key points:

1. David Ewing's costs will be provided through his existing contract with AASHTO for Support Services to the NGEC.
2. AASHTO, as stated on the Executive Board call of March 29, 2011, will look to retain outside consulting through its Center for Finance. This will be provided outside of the Support Services contract, but through AASHTO – no additional costs to the NGEC are anticipated.
3. Leo Penne and Shayne Gill will continue to provide support to the effort, and their time will either fall under the existing AASHTO Support Services contract or will be contributed.
4. AASHTO will also facilitate involvement of additional states as needed.

Mr. Ewing commented that he agreed with Mr. Penne that his services were part of the core Support Services program. He also noted that he had requested that travel costs be included in the budget for his travel, and potentially, for states that are not part of the NGEC, and would ordinarily not be covered for travel. Mr. Edgcumbe acknowledged that he had included Mr. Ewing's travel budget requests in the draft.

Mr. Edgcumbe asked Mr. Penne to verify/confirm whether there would be any additional costs before he finalizes the scope and budget for distribution. Mr. Penne will check with Jack Basso and provide feedback by tomorrow morning (April 7, 2011).

It was also discussed that, while most of the work appears to be internal/existing contracts, the subcommittee will follow the procurement process approved by the Board in February, 2011 for any external support that may be required at some point in this effort.

It was suggested that Larry Salci's input thus far has been extremely valuable. Mr. Salci's costs have been provided by FRA resources up to this point. The question was asked of Mr. Yachmetz whether FRA would continue to pick up Mr. Salci's costs. Mr. Yachmetz stated that Mr. Salci "would continue to be paid through FRA resources for the time being". He noted that – for the time being –means "for this calendar year" and we'll see where things are after that.

Mr. Bronte reiterated that time was of the essence and hoped that this process could be moved forward as soon as possible.

Ultimately, it was agreed that:

- Mr. Edgcumbe would finalize the budget numbers and add them to the current draft once he has gotten Mr. Stadler's approval and has heard back from Mr. Penne.
- Once the final draft is completed, Steve Hewitt will send it to the Finance subcommittee, the Administrative Task Force and the Executive Board and ask for comments to be submitted to Mr. Stadler and Mr. Edgcumbe by COB on Friday, April 8, 2011.
- On April 11, 2011, the Finance subcommittee will be asked to vote on approval of the draft proposal via electronic vote.
- Mr. Bronte agreed to have the revised draft Scope of Work and Budget as a discussion item for the Executive Board conference call on April 12, 2011. After the call, Board members will be asked to vote on approval via electronic vote. The Board will determine when that vote should take place.

**Item 3 – Other discussion items:**

Bill Bronte noted that the Finance subcommittee, the Administrative Task Force and the Executive Board need to be thinking about "How we structure procurement?" Mr. Bronte commented that California wants to move ahead with equipment procurement, but is reluctant to do anything without "talking more about it with Amtrak and FRA" to make sure "we move forward expeditiously without messing up the intent of 305." He urged all members to "get this on their plate quickly."

Mr. Yachmetz commented that the current batch of applications for HSIPR funding are being reviewed and, he believes, there are applications "for equipment similar to that which Bill is looking to procure, and there may be an opportunity for a larger procurement".

**Next Finance subcommittee conference call: April 20, 2011 at 3:00pm Eastern  
866 209 1307 access code: 8597804#**

**Action Items Update (New and Current)**

**Action item:** Leo Penne will check with Jack Basso to see if there needs be additional AASHTO costs included in the budget. He will confirm with Rob Edgcumbe by Thursday morning – April 7, 2011.

**Action item:** Rob Edgcumbe to finalize revised draft scope of work and budget by April 7, 2011

**Action item:** Steve Hewitt will send out revised draft to the Finance subcommittee members, the Administrative task force members and the Executive Board and ask for comments by COB Friday, April 8, 2011.

**Action item:** After all comments have been received – the final version will be distributed to the Finance subcommittee members for an electronic vote on April 11, 2011.

**Action item:** Bill Bronte will include the Scope of Work and Budget for Structuring and Funding Options Working Group as a discussion item on the April 12, 2011 Executive Board conference call.

**Carryover Action Item:** Leo Penne, AASHTO, has sent out a request for states to provide contact information of state attorneys who work with their state's rail program. Purpose is to establish a states legal pool as a resource to the Committee. Leo will provide a list of the 20 states that have responded and send it to Steve Hewitt for distribution.

**Carryover Action Item:** Leo Penne to prepare a "rough " estimate of costs and a plan for conducting the proposed "Rolling Stock 101" webinars. Leo, Shayne, Rob and David Ewing are developing an outline of a curriculum for the 101 webinar series – Rob to present the topic at SCORT in March.

## ATTACHMENTS

Agenda  
April 6, 2011

1. Roll Call
2. Approval of the Minutes of the Finance subcommittee from March 9, 2011 and March 23, 2011 .
3. Review of the revised draft Scope of Work and Budget for Structuring and Funding Options
4. Open Discussion
5. Adjourn