

# SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

MAY 30, 2018

3:00PM EASTERN

CONFERENCE CALL

<b>FACILITATOR</b>	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
<b>ATTENDEES</b>	<i>Tim Ziethen, Brent Thompson, Eric Curtit, Ray Hessinger, Arun Rao, Amanda Martin, Shayne Gill, Strat Cavros, Steve Hewitt,</i>
<b>ABSENTEES</b>	<i>Michael Lestingi, Jeff Gordon, Tim Hoeffner, Jason Biggs, Beth Nachreiner, Sal DeAngelo, Brian Beeler II, Larry Salci,</i>

## DECISIONS MADE

### 1. Welcome and Open Meeting – Tim Ziethen, Amtrak:

Subcommittee Chair, Tim Ziethen, Amtrak, opened the conference call meeting and asked Steve Hewitt to call the roll.

### 2. Roll Call – Steve Hewitt:

Steve Hewitt called the roll and could not confirm the presence of a quorum. FRA had notified Steve in advance of the call that FRA would not be present. Steve recommended that the call proceed, but that no votes be taken.

### 3.

#### Approval of Minutes from the 5-2-18 FASC conference call – Tim Ziethen, Amtrak:

Due to the lack of a quorum, approval of the minutes from the 5-2-18 was tabled until the next call -6-27-18.

### 4.

#### Status Updates:

FRA approval of NGEC/SAIPRC SOW Revisions – FRA:

FRA was unavailable for today's call but provided the following status updates on the SAIPRC and NGEC SOW Revisions. Eric Curtit read the FRA update into the record:

*1. The SAIPRC amendment has been executed. It includes updated SOW with added SAIPRC Equipment Working Group activities, 2.8M added funds and period of performance extension.*

*2. The ball is in Amtrak's court regarding moving the NGEC amendment forward. We're waiting for them to complete review/accept docs (SOW, Attachment 1 to Amendment 1 and revise Section B of the GARF by clarifying why the amendment is needed per RCC). As soon as we get them back, provided there are no outstanding issues, we'll process the amendment. Anticipated ETA for acceptance of docs was Friday, May 25th. Will request a status update from Amtrak today.*

Tim Ziethen commented that he had spoken to Amtrak Grants prior to this call, and he will provide them with the answers to the FRA clarifying questions later today. At that point, the response will be sent to FRA grants and it is anticipated that, if they do not have any further questions, the NGEC SOW as revised will be executed.

Reimbursement from FRA to Amtrak for the previously unpaid AASHTO Invoice - Tim Ziethen:

Tim Ziethen reported that the AASHTO invoice has been paid by Amtrak, and Amtrak is waiting for direction from FRA on reimbursement. Tim noted that he believed that the next step, as agreed on the last Executive Board call was for Chairman Curtit to connect with Michael Lestingi, FRA, to see how this can be resolved. Eric Curtit noted that the call has not taken place yet, but that he will press the issue that Amtrak needs to be made whole, and that the end of the last grant early seems to be the cause, and Amtrak is not culpable and must be paid.

Strat Cavros, AASHTO, was asked by Eric Curtit if AASHTO has been made whole now, and Strat responded "yes, for the most part". He added that there is an issue with an August invoice and that he had sent an email today to Tim

Ziethen asking for a status update. Tim commented that he believes that everything has been processed and that the August funds were transmitted. He believes the invoice was vouchered and paid. Tim will confirm the information including the check number and provide it to Strat.

**5.**

**Status: Distribution Quarterly Grant Progress Report for January-March 2018 – Tim Ziethen:**

As agreed on the last FASC call, and subsequently approved by the FRA, Amtrak, and the Executive Board, the NGEN Grant Quarterly Progress Reports was distributed to FASC and Executive Board members this week by Steve Hewitt. This is the first such distribution and it was for the quarter ending 3-31-18. Tim noted this will now part of the regular cadence and each quarterly report will be distributed on a regular basis.

**6.**

**Annual NGEN By-Laws Review – Steve Hewitt:**

Steve Hewitt reminded FASC members that one of the responsibilities of the subcommittee is to conduct an annual review of the NGEN By-Laws and Operating Procedures. The purpose is to ensure that they remain current. Last year there were many changes made because of the request to move 514 to SAIPRC and, with that change being made, the FASC agreed to also make several grammatical corrections/improvements that were considered minor clean ups. In the previous year's review, these clean ups were held over until more extensive updates were to be made. All such changes/corrections were included with the major update done in 2017 and were adopted by the NGEN Executive Board on 12-19-17.

Steve noted that the usual process for the annual review has been that he and NGEN secretary (co-vice chair of the FASC) Ray Hessinger, would conduct the initial review and present any proposed changes they may recommend to the FASC for its consideration. If there are changes, and they are approved by the FASC, they are sent to the Executive Board for its consideration. Today, (5-30-18) Steve is not necessarily looking to begin the review but wanted to remind members of the FASC's responsibility and to get the general ok to move forward with this process. A timeline for completion can be set later, but Steve is anticipating that it will be sometime early Fall 2018.

It was agreed that Steve Hewitt, and Ray Hessinger will again conduct the review. They will discuss the timeline off-line, and agree it is not anticipated to be undertaken until early Fall.

**7.**

**Other Issues/Questions – All:**

Tim Ziethen asked about the timing of the audit that is a part of the NGEN SOW, and Steve Hewitt said that it was a question that should be asked of Amtrak and FRA grants as to the timing, but that there is money budgeted for an audit during the grant period as well as a close out audit. The previous audit was conducted by the Amtrak OIG, and the budget allocates \$50,000.

Tim will check with Amtrak and FRA grants on the timing and report back to the FASC members on the next call 6-27-18. It will remain on the Open action item list until complete.

Tim Ziethen raised the issue of the timing and process for requesting a 12 month no-cost extension of the current grant agreement. Steve Hewitt noted that under the previous grant the NGEN had requested and received several extensions. Steve added that Tim should check with Amtrak and FRA grants as to what actions are required. The NGEN process would be for the FASC to justify the request based on need and the fact that the spend rate will provide for adequate funding to cover the additional period. The FASC would need to revise the SOW and budget to reflect the work plan and costs for the additional 12 months. Once the FASC has approved the SOW and budget for the extension request, it is submitted to the NGEN Executive Board for its consideration. Once approved, the Executive Board submits it to Amtrak asking that they work with FRA and formally request the extension.

Eric Curtit, NGEN Chair, agreed with Steve's process description, and agreed that the effort takes quite a long time to complete so the time is now to connect with the grants offices to get some direction and begin the process. Eric also noted that he was under the impression that this grant was did not provide the ability to extend it, but certainly believes it is need and should be pursued if eligible. Tim Ziethen noted that he is quite certain that the grant has a provision in it to allow for a 12-month extension at no-cost. Tim will confirm this and report back to the FASC on the next call.

This item will be added as an open action item and will be on the next FASC agenda.

With no further business brought forth, Chairman Ziethen adjourned today's call at 3:25PM Eastern.

**The next call is scheduled for June 27, 2018**

**The call-in number is:**

**888 585-9008 passcode 559-120-127#**

#### **Decisions - Action Items**

**Legislative Outreach – developing a strategy and implementation plan to obtain future federal funds for the NGEC:** Currently the strategy is to get broad circulation to decision makers of the NGEC two-page fact sheet. This document helps to educate the decision makers (federal and state) on what the NGEC is, what results it has produced; and what its goal are.

To date 165 hard copies and over 300 electronic versions have been distributed. More are available by request through Steve Hewitt. With the current spend rate well below the plan, a no-cost extension of the current grant may need to be considered, but, eventually, additional funding will be necessary to continue the ongoing efforts of the NGEC and its mission to standardize equipment specs and improve cost efficiencies and create jobs by reinvigorating the passenger rail equipment manufacturing and supply industry in the U.S.

Ongoing

#### **Status: Approval/execution of the revised NGEC Grant SOW:**

SAIPRC's revised SOW has been executed. The NGEC revised SOW is not yet executed as FRA has requested that Amtrak provide clarification on several issues. Tim Ziethen expects to get the Amtrak grants office the responses to FRA's questions later today (5-30-18). Following that, Amtrak grants will work with FRA grants to finalize the SOW and execute the agreement.

#### **Resolving missing invoice payment Amtrak to AASHTO and determining the mechanism for FRA reimbursement of Amtrak:**

On 5-30-18, Tim Ziethen reported that the AASHTO invoice has been paid by Amtrak, and Amtrak is waiting for direction from FRA on reimbursement. Tim noted that he believed that the next step, as agreed on the last Executive Board call was for Chairman Curtit to connect with Michael Lestingi, FRA, to see how this can be resolved. Eric Curtit noted that the call has not taken place yet, but that he will press the issue and emphasize that Amtrak needs to be made whole. He will point out that the end of the last grant early, seems to be the cause, and Amtrak is not culpable and must be paid.

Strat Cavros, AASHTO, was asked by Eric Curtit if AASHTO has been made whole now, and Strat responded "yes, for the most part". He added that there is an issue with an August invoice and that he had sent an email today to Tim Ziethen asking for a status update. Tim commented that he believes that everything has been processed and that the August funds were transmitted. He believes the invoice was vouchered and paid. Tim will confirm the information including the check number and provide it to Strat.

#### **NGEC Budget Status – Expenditures to date/Balance/Spend Rate:**

Two invoices were covered for approximately \$64,000 were processed during this quarter. To date, after 6 quarters of the current grant agreement, the NGEC has spent a total of \$190, 231.84. The spend rate is well under the planned amount contained in the SOW and budget. The total grant amount was \$1,250,000.

**Requesting a 12 month no-cost grant agreement extension:**

On 5-30-18, Tim Ziethen raised the issue of the timing and process for requesting a 12 month no-cost extension of the current grant agreement. Steve Hewitt noted that under the previous grant the NGEC had requested and received several extensions. Steve added that Tim should check with Amtrak and FRA grants as to what actions are required. The NGEC process would be for the FASC to justify the request based on need and the fact that the spend rate will provide for adequate funding to cover the additional period. The FASC would need to revise the SOW and budget to reflect the work plan and costs for the additional 12 months. Once the FASC has approved the SOW and budget for the extension request, it is submitted to the NGEC Executive Board for its consideration. Once approved, the Executive Board submits it to Amtrak asking that they work with FRA and formally request the extension.

Tim Ziethen noted that he believes the current grant has a provision in it to allow for a 12-month extension at no-cost. Tim will confirm this, and the steps required by Amtrak and FRA and report back to the FASC on the next call.

This item will be added as an open action item and will be on the next FASC agenda.

**NGEC Audit – timing and process:**

Tim Ziethen asked about the timing of the audit that is a part of the NGEC SOW, and Steve Hewitt said that it was a question that should be asked of Amtrak and FRA grants as to the timing, but that there is money budgeted for an audit during the grant period as well as a close out audit. The previous audit was conducted by the Amtrak OIG, and the budget allocates \$50,000.

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**Task Complete**

**Annual NGEC By-Laws Review – Steve Hewitt:**

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The NGEC will provide national leadership in standardization, acquisition, financing and management of passenger rail equipment.

## SECTION 305 NGEC Finance and Administrative Subcommittee (FASC)

Conference call

May 2, 2018

3:00PM Eastern

**888 585-9008 passcode 559-120-127#**

### MEETING AGENDA

- |  |                          |
|--|--------------------------|
| 1. Welcome/Open  | Tim Ziethen              |
| 2. Roll Call   | Steve Hewitt             |
| 3. Action Items Review   | Steve Hewitt             |
| 4. Approval of the Minutes from 3-7-18                                 | Tim Ziethen              |
| 5. Status Updates:   | Tim Ziethen              |
| - FRA review/approval of NGEC/SAIPRC SOW Revisions                     | Michael Lestingi         |
| - Unpaid AASHTO Invoice  | Tim Ziethen              |
| 6. Overview: Quarterly Grant Progress Report to FRA January-March 2018 | Tim Ziethen/Steve Hewitt |
| 7. NGEC Budget Status - Expenditures to date/Balance/spend rate        | Tim Ziethen              |
| 8. Planning/strategy for obtaining future funding grant beyond 9-30-19 | Eric Curtit              |
| 9. Other Issues/questions  | All                      |

**Next Call May 30, 2018**

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