

SECTION 305 FINANCE SUB COMMITTEE

MINUTES

DECEMBER 18,
2013

3:00PM EASTERN

CONFERENCE CALL

FACILITATOR	<i>Brent Thompson, Washington State DOT, Vice Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>Brent Thompson, Darrell Smith as proxy for Gerald Sokol, Kevin Kesler, Eric Curtit, Jeff Gordon, Steve Hewitt, Sara Sarkhili, David Ewing, Shayne Gill</i>
ABSENTEES	<i>Gerald Sokol, Arun Rau, Nico Lindenau, Ashok Sundararajan, Andy House</i>

DECISIONS MADE

1. Welcome and Open Meeting – Brent Thompson:

In the absence of subcommittee chair Gerald Sokol, vice chair Brent Thompson, Washington State DOT, opened the conference call and asked Steve Hewitt to call the roll.

2. Roll Call – Steve Hewitt:

Steve Hewitt called the roll, and confirmed the presence of a quorum.

3. Review of Action Items – Steve Hewitt:

Steve Hewitt provided a brief status update on Finance subcommittee action items:

Action Items Status

Steve Hewitt will check back with Dave Warner for clarification on specification revision review needs for the period beginning April 1, 2014.

Status: Steve Hewitt followed up with Dave and clarification was provided and the item is included in the SOW and Budget submitted to the Executive Board. **Task Complete**

Darrell Smith will continue to apprise the subcommittee members of the status of compliance with the OIG audit recommendations. As of the November 20th call – all but one item is closed out.

Status: Agenda item # 5 will address this topic.

4. Approval of minutes from 11-20-2013 – Brent Thompson:

On a motion by Kevin Kesler, FRA, and a second by Eric Curtit, Missouri DOT, the minutes from the 11-20-13 Finance subcommittee conference call were approved without exception.

5. Status Update: Compliance with OIG Audit recommendations – Darrell Smith:

Darrell Smith, Amtrak, informed the subcommittee that although items 2-4 of the OIG Audit recommendations had been previously reported as fully complied with, the IG has asked for additional action on item 2 to ensure full compliance.

Darrel explained that Item 2 concerned the recommendation that the NGEC establish and follow contract procedures. This has been done, and procedures are being followed. The IG, however, has recommended action be taken to include past contracts for support services with AASHTO and subcontractors, be approved retroactively and extended to coincide with the revised grant agreement and SOW going forward through June 30, 2015.

The intent is to formally approve existing agreements prior to the point at which the new procedures had been

adopted. This action would "clean up" the item for the OIG, and it would "pave the way for smooth continuation of service with AASHTO."

It is recommended that the Finance subcommittee approves the proposed motion first, and forwards it to the Administrative task force (ATF) for its approval, per the NGECC procedure, and, once the ATF has approved the motion, it will send it to the Executive Board for consideration at its first meeting in January, 2014.

Darrell offered the following as suggested language for this motion.

"As was intended in past NGECC budget approvals and to ensure compliance with the Audit of Grant Agreement of March 27, 2013, and the NGECC's updated Procedure of Establishing Contract Support adopted August 6, 2013, the _____ authorizes Amtrak to contract with AASHTO for administrative support services as well as subsequent sub-contracts with the Ewing-Hewitt Alliance for Manager of Support Services and Policy Analysis Consultant and with SalciConsult for Specification Consultant services. In addition, contingent on the Federal Railroad Administration's approval of the NGECC's Supplemental Statement of Work and related budget extension through June 30, 2015, Amtrak is authorized to extend its agreement with AASHTO and AASHTO's sub-consultants in accordance with the Statement of Work."

Jeff Gordon, FRA, asked "is the intent to 'grandfather' in those contracts that were in existence before the new procedures?"

Darrell responded "yes, that is what is intended."

With no additional questions or comments, Darrell asked the chair "can we move this forward?"

Jeff Gordon asked "so the scope of the motion is to 'grandfather' in existing contract arrangements with AASHTO and the current sub-contractors?"

Darrell responded, "Right, and also, to kill two birds with one stone...to continue those contracts through the end of the grant agreement extension, so we don't have to keep going back to re-approve during the grant period."

Jeff responded "sounds like a reasonable motion to me, although I am not authorized to make it."

Kevin Kesler, FRA's voting member of the Finance subcommittee weighed in to say he would make the motion.

"So moved"..."we accept the past agreements as described and that we forward the motion to the Administrative task force and recommend approval and that it then be forwarded to the executive Board."

The motion was seconded by Brent Thompson, Washington State DOT.

Brent asked Steve Hewitt to poll the voting members of the subcommittee:

Brent Thompson, Washington State DOT – in favor
Eric Curtit, Missouri DOT – in favor
Darrell Smith, Amtrak – in favor
Kevin Kesler, FRA – in favor

With a quorum having been confirmed and all members voting in the affirmative, Brent Thompson determined that consensus has been achieved and the motion is approved.

It will now be sent to the ATF for its consideration. (The ATF meets on Friday, December 20, 2013)

6. Status: Revising the budget and SOW for a grant agreement extension – Darrell Smith:

Darrell Smith asked if anyone had any comments or questions concerning the revised SOW and budget agreement as submitted to the Executive Board.

Jeff Gordon noted that the end date was referred to several times in the SOW as June 31, 2015, and it should be June 30, 2015.

Darrell will make the correction.

Darrell asked Kevin Kesler if he knew if the FRA had any questions or items for clarification. The SOW was approved by the Executive Board, but the accompanying budget was approved pending FRA review of the supporting details.

Kevin stated that "it is under review by grants management" and he has not heard anything from them at this point, but he will check.

Darrell informed Kevin that it was the Board's hope that FRA would have its review completed before the next Executive Board call – January 7, 2014. Darrell offered to answer any questions or provide clarification where needed. He also noted that he will be on vacation beginning on the 24th through January 1st.

Kevin agreed to inform the grants people of the tight timeline and make sure they know to contact Darrell Smith if they have questions or need clarification.

**7.
Preparing for the NGEAC Annual Meeting – Treasurer's Report - Darrell Smith:**

Darrell Smith reported that he will be preparing a Treasurer's report for the Annual Meeting. It will contain the same information as has already been seen by the Board and the subcommittee. It will be in the same format as the last few Treasurer's reports. Darrell asked members of the subcommittee to provide him with any information they would like to see in the report.

It was agreed that input should be provided to Darrell by COB on January 14, 2014. Darrell will provide a draft for subcommittee review prior to the February 12, 2014 conference call. This will give time for discussion on that call, and for changes to made, as needed, in advance of the Annual Meeting (February 21, 2014).

**8.
Other:**

David Ewing asked that "the group consider, on the January 15th call, going back to look at strategies for financing the equipment and/or follow on organizations". He asked that this be on the agenda for the next call. David added "there are strategies that are out there and it is important that we be a part of the discussion".

Eric Curtit, Missouri DOT, agreed with David stating, "I am working with another organization on this topic, and I agree with David, it's a good idea for us to be involved."

David noted that the report under review by the SFTF is something that will lend a hand to this effort, as it contains good information that the Finance subcommittee could use.

It was agreed that David Ewing and Eric Curtit will "frame the discussion" on the January 15th call. It will be an agenda item, and the topic owner(s) will be Eric and David.

9. Adjourn:

With no other business to come before the subcommittee today, the conference call meeting was adjourned at approximately 3:30 EST.

**Next Finance subcommittee conference call – January 15, 2014
866 209 1307 access code: 9786620#**

Decisions and Action Items

Finance subcommittee members are asked to provide any input they may have for the Annual Meeting Treasurer's Report to Darrell Smith by COB on January 14, 2014.

On the next Finance subcommittee call, (January 15, 2014) There will be an agenda item in regard to looking at strategies for financing equipment and/or follow on organizations. Eric Curtit and David Ewing will frame the discussion.

Kevin Kesler will contact FRA grants management to remind them of the anticipated timeline for review of the budget for the grant agreement extension request. Kevin will also provide them with Darrell Smith's name as the point of contact for any questions or issues that may need clarification.

A motion to 'grandfather' existing contract arrangements with AASHTO and the current subcontractors under the new NGEN procedures was approved. The motion will be forwarded to the ATF for its consideration on December 20, 2013, and, if approved, will be submitted to the Executive Board for consideration of approval on January 7, 2014.

ATTACHMENTS



SECTION 305 Finance Subcommittee Conference Call

**December 18, 2013
3:00pm. EST
866 209 1307 pass code 9786620#**

AGENDA

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| 1. Welcome/Open | Brent Thompson |
| 2. Roll Call | Steve Hewitt |
| 3. Review of Action Items | Steve Hewitt |
| 4. Approval of minutes from 11-20-2013 | Brent Thompson |
| 5. Status Update: Compliance with OIG Audit recommendations | Darrell Smith |
| 6. Status: Revising the budget and SOW for a grant agreement extension | Darrell Smith |
| 7. Preparing for the NGEN Annual Meeting – Treasurer's Report | Darrell Smith |
| 8. Other issues/questions? | All |

Next Finance subcommittee call: January 15, 2014 – 3:00PM EST

Call in # 866 209 1307 passcode 9786620#