

SECTION 305 FINANCE SUB COMM

MINUTES

MARCH 14, 2012

3:00 PM EST

CONFERENCE CALL

FACILITATOR	<i>DJ Stadtler, Treasurer S305 NGENC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>DJ Stadtler, Steve Hewitt, Chad Edison, Gordon Hutchinson, Ken Uznanski, Nico Lindenau, Ryan Swick,</i>
ABSENTEES	<i>Jim Donlin , Bill Bronte, Juli Salvi, Leo Penne, Andy House, Chad Edison, Kevin Kesler, David Ewing, Nancy Greene</i>

DECISIONS MADE

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

After taking the roll and determining that there was not a quorum present, it was agreed that no votes would take place.

DJ noted that he had 2 primary items for discussion:

1. The revised draft NGENC Scope and Budget sent out to all subcommittee members today
2. The SFTF SOW – Section 6 – approved by the SFTF and on the agenda for Board consideration March 20, 2012

NGEC Scope and Budget proposal for 2012-2013:

DJ noted that all members of the subcommittee had received the latest draft of the NGENC Scope and Budget proposal and asked for any comments. He advised that the Board expects to vote on the proposal on March 20, 2012. All comments are due by COB today (March 14, 2012) to Ken Uznanski, Amtrak.

DJ commented that he felt Ken had done a good job putting it together.

Chad Edison, FRA, stated that the FRA was going to be providing comments later today, primarily to provide clarification and suggestions for making certain aspects more clear. He said the comments/suggestions will be "pretty much self-explanatory" and would include looking for clarification on what each of the various subcommittees (task forces) are doing.

DJ asked for comments related to the Finance subcommittee budget, and noted that he currently does not have any professional service money in the Finance subcommittee budget. The only budget item, at this point, is \$50,000 for an audit.

DJ asked subcommittee members if they had a view on "how best to conduct an audit of the 305 grant".

Chad asked "is it an audit of expenses charged to the budget of the Committee over the first year/year and a half?"

DJ responded, "yes – similar to what a grant oversight would be." He went on to explain that, to this point, the 305 audit has been included as part of the overall Amtrak grants audit. It is an A133 audit.

He added that the issue is whether or not that is sufficient – because 305 is audited as a part of all of the Amtrak grants as opposed to having a separate audit of the 305 grant.

Chad raised a concern over the amount of money (\$50,000) budgeted for the audit when the expenses have been minimal in comparison to the audit budget amount.

DJ deferred to Gordon Hutchinson, but said that he doubted any firm would do an audit for less than \$50,000.

Gordon Hutchinson agreed. He said DJ's assumption is correct. "No matter how simple it is", firms will not do an audit for less than is proposed in the budget.

DJ raised the possibility of doing a review as a less expensive option.

Chad Edison stated "a review is the most we should do since Amtrak covers all of the grants, including 305, every year." He added that "until expenses reach a higher level" this approach would be reasonable.

After further discussion, it was decided that DJ and Gordon would explore options other than a full audit, such as less expensive options like an Amtrak OIG or a "review" rather than a full-fledged audit.

Ken Uznanski asked how this should be addressed in the current scope and budget being considered.

DJ suggested the \$50,000 for an audit remain in the budget, but that an explanation be provided stating that the subcommittee is exploring less expensive options.

Chad agreed, providing there is language added as DJ described.

SFTF SOW – Section 6

DJ asked if all attendees had a chance to review the SFTF proposal, and noted that it had been approved earlier this week by the SFTF. It will be presented to the Executive Board for consideration on March 20, 2012. No comments or concerns were raised by those on the call, and DJ said that he would vote in favor of the proposal on behalf of the Finance subcommittee.

Other:

Steve Hewitt raised the issue of possibly reducing the frequency of Finance subcommittee calls. Chad Edison commented that he would favor reducing them from every two weeks to every four weeks similar to what the Administrative task force is doing. This would help to free people's time up.

It was agreed that the subcommittee would begin meeting every 4 weeks as of the next call – which is to be April 11, 2012. If something comes up that needs attention sooner, a special meeting can be called.

Steve Hewitt will notify all members of the schedule change, and will send out a meeting notice for April 11, 2012 as the next call and every 4 weeks thereafter.

**Next Finance subcommittee conference call: April 11 , 2012 at 3:00pm Eastern
866 209 1307 access code: 8597804#**

Action Items

The voting procedure proposal will be modified to include the provision for email voting, and all members will be asked to attend the next call to consider the procedures for subcommittee approval. **(carryover item)**

DJ and Gordon Hutchinson will explore options for conducting and audit or a review, and will talk to the Amtrak OIG as well.

Meetings will be held every 4 weeks beginning April 11, 2012.

ATTACHMENTS