

SECTION 305 FINANCE SUB COMM

MINUTES

SEPTEMBER 5,
2012

3:00PM EST

CONFERENCE CALL

FACILITATOR	<i>Gordon Hutchinson, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>Gordon Hutchinson, Darrell Smith, Brent Thompson, Chad Edison, Bill Bronte, Ryan Swick, Shayne Gill, Steve Hewitt, David Ewing,</i>
ABSENTEES	<i>Jim Donlin, Juli Salvi, Mytrang Le, Andy House, Kevin Kesler, Ashok Sundararajan, Nico Lindenau, Leo Penne, Vincent Brotski, Jeff Gordon</i>

DECISIONS MADE

Gordon Hutchinson opened the conference call and welcomed all participants. He then asked Steve Hewitt to call the roll.

Steve called the roll, and, while at first the presence of a quorum was not established, as the call progressed additional members came on line, and a quorum was confirmed.

Review of Action Items – Steve Hewitt:

Gordon Hutchinson will take the action to progress the NGEC audit, and will provide a status update by the next Finance subcommittee call. **Status: This is an agenda item on today's call.**

Darrell Smith and Amtrak purchasing will work with AASHTO to finalize and formalize the agreement for all of the support services, and clean up any of the items still open. This will encompass all of the support AASHTO supplies including the consulting contracts (PB and Larry Salci). **Status: This an agenda item for today's call.**

Gordon Hutchinson will ask Amtrak staff to look at TIFIA and RRIF and put something together for subcommittee members to react to. Gordon will get something out to members in advance of the August 29, 2012 conference call. **Status: This item has been tabled until the next call due to vacation schedules over the time between the last call and this one.**

Gordon Hutchinson noted that now that most vacations were over, he and Darrell were going to work towards getting input from Amtrak on TIFIA and RRIF and will develop something for Finance subcommittee members to react to prior to the next call (September 26, 2012)

Agendas will be prepared and distributed in advance of all Finance subcommittee calls. **Status: This is a practice that will be implemented for all Finance SC calls.**

Approval of Minutes from the August 1, 2012 conference call – Gordon Hutchinson:

With the quorum established, Gordon asked for a motion to approve the minutes of the August 1, 2012 Finance subcommittee call. Bill Bronte, Caltrans, made the motion to approve, and it was seconded by Brent Thompson, Washington State DOT. With no comments or objections being raised, Gordon determined that the minutes were approved with consensus having been achieved.

Update: NGEC Audit – Gordon Hutchinson:

Gordon Hutchinson reported that, due to vacations, he and the OIG office had not yet nailed down a Scope of Work for the NGEC Audit. He expects this to happen over the next few days. Gordon commented that he believes it will be "a very simple audit" especially "now that Darrell has come on board, and the grant is in good order, and there are not a lot of expenditures." He also noted the experience of the Amtrak OIG as an advantage. Gordon expounded on the fact that even though it is a simple audit, even the simplest one "is not an inexpensive proposition." The biggest advantage of using the Amtrak OIG, as opposed to an outside firm, "is that it won't cost us money." He added that the cost of a simple audit by an outside firm could actually be more than the NGEC's current expenditures.

Gordon said that he was going to move forward and would give an update on the next call.

Status: Execution of contracts/clean-up of open items – Darrell Smith:

Darrell Smith gave the Finance subcommittee some very good news about the status of the Amtrak/AASHTO support services agreement. "An hour ago the fully executed contract went from Amtrak to AASHTO" this should "now clear the way for AASHTO to give the green light to PB and Salci".

Darrell mentioned that there are two other things he is currently working on. One has to do with AASHTO invoice #9 which is being reconciled. The second item is the proposed revisions to the states travel reimbursement form which he has provided to AASHTO and to Steve Hewitt. Darrell told Steve that he was hoping that the changes could be made to the form prior to the NGEC meeting in Portland, ME.

Steve noted that Leo Penne had told him he wanted to "run it by Strat first" before asking Andrea Ryan (AASHTO) to revise the current form. Steve noted that he was sure "we will get the new form out on time to all those eligible for travel reimbursement prior to the September 20th meeting".

Darrell also noted that there was also a shift in salary expenses due to Ken Uznanski leaving and Darrell Smith taking over the role of Amtrak's NGEC project manager. The salary allotted for the Amtrak NGEC project manager position is accounted for in the NGEC budget. Gordon said the shift will likely will need to be brought to the Board's attention.

Gordon Hutchinson asked if there were any other items that may come up as the year progresses. He emphasized that they want to be timely in getting approvals through the process so it is important that he be made aware in advance if there are to be similar contractual issues or any other similar expenses that will need action.

Steve Hewitt raised the issue of potential sole source contracts for professional services to Review Panels. Steve said that he was sure there will be a number of specification revisions forthcoming that will need the services of Larry Salci if we agree to continue to go that way (Sole sourcing). There is no doubt that there will be several of these reviews required and the turnaround time is usually short. Steve noted, for example, that the Technical subcommittee will be voting for approval of a Revision A for the Single level specification next week. The process, if the revision summary sheet is approved is that it is then sent to a Review Panel, and Larry Salci, as the consultant for the panel, prepares the report which is then approved by the panel. If approved, it is presented to the Executive Board for its consideration. It is important that the NGEC continue the practice of having a professional consultant for the review efforts to compare the proposed DCRs with the requirements document to ensure they are compliant.

Steve reiterated that the single level review is only one of several that can be expected to occur in the near future and "we really can't go through the lengthy process we just went through for the PB and Salci contracts again. Larry has just completed his work for the last two reviews and the contract is now about to be executed."

Chad Edison, FRA, raised the issue of "the need to reconcile the pre-April 1st (2012) budget." Chad explained that there are "two buckets – the pre-March 31st 2012 and from April 1st on". Chad noted that there was a large balance remaining, around \$1 million in the Pre-March 31st "bucket" and it needs to be "re-programmed with an amended Statement of Work (SOW)".

Darrell commented that Invoice #9 takes AASHTO to March 31st – once that is done over the next couple of weeks then we can take the remaining balance and re-program it.

Darrell suggested that a discussion take place in Portland about this issue. Steve agreed, and asked Chad Edison if it made sense to him. Chad responded that it did.

It was agreed that Steve Hewitt, Darrell Smith, Chad Edison, Leo Penne and Shayne Gill and Bill Bronte would get together in Portland to talk about "truing up the remaining balance". Darrell pointed out that In the balance remaining, quite a bit was identified as for professional services, so that may be where we look for providing funding for the anticipated consulting contracts. This could be part of the re-scoping of the prior funds.

Bill Bronte stated that "reconciliation of old money and new money is important to know where we are" financially.

Darrell noted that the Treasurer's report being prepared for the Portland meeting will help to identify where things stand.

Preparing Treasurer’s Report for the September 20, 2012 Exec. Board Meeting – Gordon Hutchinson:

Gordon and Darrell are in the process of preparing the Treasurer’s report. Darrell noted that as soon as he has gotten it to Gordon for his review and approval, he will send it to Steve Hewitt. He said he was hoping to make Steve’s September 6th timeline. Steve told him that since this will only need to be downloaded to a thumb drive, the September 6th timeline is a target, but not set in stone. Steve said, “don’t kill yourself to make that deadline, there is flexibility there.”

Other issues/questions? – All:

With no additional business to come before the subcommittee today, the meeting was adjourned at around 3:25pm Eastern with Steve reminding everyone that the next scheduled call is September 26, 2012 to get us back on schedule.

**Next Finance subcommittee conference call – September 26, 2012
866 209 1307 access code: 1618163#**

Decisions and Action Items

Gordon Hutchinson will be working with the OIG to determine a scope for the audit and will provide a status update on the next Finance subcommittee call.

Gordon Hutchinson and Darrell will be working with Amtrak staff to look at TIFIA and RRIF and put something together for subcommittee members to react to. Gordon will get something out to members in advance of the September 26, 2012 conference call.

The AASHTO/Amtrak Support Services agreement was sent to AASHTO, fully executed by Amtrak, just prior to today’s call. This will free up AASHTO to “give the green light” to Salci and PB.

Steve Hewitt, Darrell Smith, Chad Edison, Bill Bronte, Leo Penne and Shayne Gill will try to get together in Portland to talk about re-programming the pre-March 31, 2012 balance and finding a way to expeditiously execute upcoming consultant contracts for review panel efforts anticipated to be forthcoming in the near future.

Gordon and Darrell are preparing a Treasurer’s report to present to the Board on September 20, 2012. Darrell will get the presentation to Steve Hewitt in advance of the meeting.

Within the next several weeks, AASHTO invoice # 9 should be reconciled, and a truer picture of the pre-March 31, 2012 balance will be presented.

Steve Hewitt will work with AASHTO to revise the form (with Strat Cavros’ approval) to be used for reimbursement of state officials and others, as appropriate, for NGENC travel expenses. The intent is to begin using the revised form for the September 20th meeting in Portland.

ATTACHMENTS

SECTION 305 Finance Subcommittee

Conference Call September 5, 2012
3:00pm. Eastern Time
866 209 1307 pass code 1618163#

AGENDA

1. Welcome Gordon Hutchinson

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|----|---|-------------------|
| 2. | Roll Call | Steve Hewitt |
| 3. | Review of Action Items | Steve Hewitt |
| 4. | Approval of prior minutes | Gordon Hutchinson |
| 5. | Update/Status: NGEC Audit | Gordon Hutchinson |
| 6. | Status: Execution of contracts/clean- up of open items | Darrell Smith |
| | a. PB (Section 6/deployment) | |
| | b. Larry Salci (Review efforts) | |
| | c. Status: Formal agreement with AASHTO
(For NGEC Support services) and
clean-up of past due balances | |
| 7. | Preparing Treasurer's Report for the Sept. 20, 2012
Executive Board meeting | Gordon/Darrell |
| 8. | Other issues/questions? | All |

Call in # 866 209 1307 passcode 1618163#

Decisions and Action Items from 8-1-12 conference call
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