

# SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

MARCH 1, 2023

3:00PM EASTERN

WEBEX MEETING

<b>FACILITATOR</b>	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
<b>ATTENDEES</b>	<i>Tim Ziethen, Brian Beeler II, John Oimoen, Ray Hessinger, Jeff Gordon, Amanda Martin, Amanda Martin also as proxy for Troy Hughes, Jason Biggs, Shayne Gill, Strat Cavros, Barley Fields, Steve Hewitt</i>
<b>ABSENTEES</b>	<i>Larry Salci, Troy Hughes, Mike Murray</i>

## DECISIONS MADE

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

FASC Chair Tim Ziethen opened the meeting and asked Steve Hewitt to call the roll.

### 2. Roll Call – Steve Hewitt:

After calling the roll, Steve Hewitt confirmed the presence of a quorum.

### 3.

#### Approval of Minutes from the 1-4-23 conference call – Tim Ziethen, Amtrak

On a motion by Amanda Martin, Iowa DOT, and a second by Ray Hessinger, NYSDOT, the minutes from the 1-4-23 FASC call were approved as submitted.

### 4.

#### Treasurer's Update – Tim Ziethen:

Balance and Spend Rate:

Preliminary Report through December 2022:

Total Initial Grant Amount: \$1,250,000.  
Expenses Incurred through December 2022: \$1,084,266.24  
Balance remaining: \$165,733.42.  
Current Spend Rate per month (as info and used in calculating): \$14,456.89.  
Estimated Balance at the end of the Grant Period: \$35,621.00.

Tim added that he has forecasted expense items:

Technical Review – Larry Salci – Estimated at \$21,000  
Casamar – estimated in a revised Scope and Budget to be \$9,546.30.  
Document Control Manager – Tammy Krause – estimate and outstanding invoices requested.  
Website Refresh – iEngineering – estimated at \$12,000.00.  
Miscellaneous Meeting and travel expenses – estimated around \$10,000.00.

With an estimated spend rate for the remaining months of about \$15,000.00 there would be in the area of \$50,000 available to cover the forecasted items.

Tim added that this would bring the NGECC right on the edge of closing out the grant at the end of the fiscal year without going over in a substantial way - around \$2,500. In which we may need to use additional funding from Amtrak if that is allowable under the grant terms.

With variations in the estimates in favor of the NGECC, it would mean "we slide in with pennies left".

With variations being higher than anticipated it would push the Committee over the grant agreement amount and force other options to be sought.

Strat Cavros commented that he has found an invoice for January (in addition to other expenses provided for that month) in the amount of \$5,091. Which he believes is for Casamar.

Tim will add that amount into his estimates.

Tim noted that among the options looking ahead would be to begin "adjusting activities down" which would be "tantamount to shutting the project down."

One alternative would be to closely monitor expenses to see if some of the costs come in favorable and adjust the calculations accordingly.

Tim has spoken to Amtrak's Grants office and walked through the numbers and details of the situation. They (Amtrak Grants) are looking at the language in the grant regarding "tolerance for a minimal variation". They are also looking at other potential funding options or additional funds.

Steve Hewitt noted that he requested from Tammy Krause, Document Control Manager, the outstanding amount due her in invoices not yet submitted. (Strat Cavros reported that the last invoice submitted was for the month of September 2022.) Steve also asked for an estimate from Tammy for the remaining period based on the scope of work she has prioritized. Steve also commented that Tammy had provided a reduced scope and budget for the technical writer (Casamar) which reduced the initial estimate down from \$12,728.40 to \$9,546.30. This is the number Tim has now used in his forecast.

Steve Hewitt asked what the average monthly invoice for Tammy Krause has been. Strat Cavros responded that it is usually about \$1000. each month.

Steve also asked Tim if some of this was not already factored into the budget estimate and spend rate. Tim responded that he believes it is.

Tim added that it is possible that "we" will be looking at needing \$10-15,000. To complete the Grant close-out expenses as well as looking for a new source of funding beginning in October 2023.

Steve Hewitt added that Ray Hessinger approved payment of the Larry Salci invoice for the technical review. Ray confirmed that he did and that the amount came in at about \$19,500 or so and was below the initial estimate of \$21,000. Steve asked Strat if this had been paid and Strat confirmed it had. Strat also confirmed that iEngineering had been paid for the website refresh and it came in under the estimate as well which was \$12,000 – and the actual invoice was for \$10,000.

**6.**  
**Next Steps/Recommendation** - Tim Ziethen/All

Tim stated that he believes it is premature to make the call on a "hard-stop". He noted that there is no news yet on the CRISI Grant application and that the time frame for hearing whether it is approved or not is May-June 2023. If approved there is about a 6 month period before a new grant agreement is in place. There is the possibility of a pre-award authorization – and he will check into that with the grant office.

The pressing question which he has asked of the Amtrak Grants office is "how to solve a spend-over grant?" Tim hopes to have an answer on that in the next few days – maybe in time for the executive Board meeting next week (3-7-23).

If the CRISI Grant application is not approved then the Committee would need to move to shut down or find alternate funding sources. Amtrak is looking into this as well.

Tim's recommendation is:

Continue to monitor the current funding and expenditures closely.

Accept the reduce scope and budget for Casamar through 9-30-23.

Continue to look at alternate funding sources.

Make a hard decision no later than June 2023 based on what happens with the CRISI Grant application.

Request other Amtrak projects sources to fill the gap if there is a shortfall – possibly \$10-\$15,000.

Look for bridge funds or pre-award funding depending on the results of the CRISI Grant application.

**7.**

**Report to the Executive Board on findings and recommendations for the next 7 months and beyond - Tim Ziethen/ Ray Hessinger:**

Tim asked Ray Hessinger (NGEC Chair) if he had anything to add or additional comments on Tim's assessment and recommendations to take to the Executive Board.

Ray stated that he had nothing additional to add and that he agreed with Tim's recommendations for moving forward.

Tim Ziethen added that he does not feel this is gloom or doom – he is simply looking at the possibilities and the realities of what may happen, but he stressed, Amtrak management continues to express widespread support for the NGEC and its activities and they are looking for other potential funding sources if the CRISI Grant app is not approved.

Tim asked Steve Hewitt what was the best way to move the recommendations forward to the Executive Board. Steve suggested that the FASC should formally submit the recommendations to the Board for its consideration during their next meeting -3-7-23. This would take a motion and a second and ask for consensus. Steve added that this item would then be on the Board agenda next week and Tim would present the FASC recommendations.

Tim agreed and called for a motion to submit the recommendations as stated to the Executive Board.

John Oimoen, IDOT offered the motion to support the recommendations as presented and to submit them to the Executive Board for its consideration.

Brian Beeler II for Maine DOT seconded the motion.

Tim Ziethen asked if there was any further discussion. Hearing none, he asked if there were any objections to the motion. Hearing none, Tim Ziethen, as Chair of the FASC determined that consensus was achieved and the motion is approved.

Tim will present the background and situation and the recommendations for moving forward as approved by the FASC.

Steve Hewitt will reach out, again, to Tammy Krause to get an updated scope and budget for document control through 9-30-23 and ask her to submit her outstanding invoices (since nothing was submitted since September and give the Board the total of those invoices. Having this information will be helpful in getting a better sense of actual expenses and in forecasting future expenses.

**8.**

**Other issues/questions – All:**

With no other business forthcoming, Tim Ziethen adjourned the call at 3:28pm Eastern.

By Computer: <https://stephenhewitthewittconsulting.my.webex.com/meet/shewitt109>

by phone: 1-415-655-0001

Access code: 126-073-1531

**Next call – 3-29-23**

**Decisions - Action Items**

**Treasurer's Report – 3-1-23:**

Balance and Spend Rate:

Preliminary Report through December 2022:

Total Initial Grant Amount: \$1,250,000.  
Expenses Incurred through December 2022: \$1,084,266.24  
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Miscellaneous Meeting and travel expenses – estimated around \$10,000.00.

On the forecast items:

The FASC agreed to accept the reduced Casamar scope and budget (\$9,546.30).

Steve Hewitt will, again, ask Tammy Krause for a scope and estimated cost assessment for document control for the remainder of the current grant period and for the amount of the outstanding invoices she has yet to submit since September.

The technical review consultant work (Larry Salci) was invoiced and paid. The invoiced amount was below the estimate of \$21,000. The actual was about \$19,500.

As noted below – the Website refresh costs also came in under budget (\$12,000) and the invoice for \$10,000 has been paid.

An invoice for Casamar in January for \$5,091. has been paid.

**NGEC Funding - FASC Recommendation for Executive Board consideration on 3-7-23:**

Continue to monitor the current funding and expenditures closely.

Accept the reduce scope and budget for Casamar through 9-30-23.

Continue to look at alternate funding sources.

Make a hard decision no later than June 2023 based on what happens with the CRISI Grant application.

Request other Amtrak projects sources to fill the gap if there is a shortfall – possibly \$10-\$15,000.

Look for bridge funds or pre-award funding depending on the results of the CRISI Grant application.

**Amtrak CRISI Grant Application for NGEF funding:**

As of 1-4-23:

Tim Ziethen reported that the application was submitted to FRA before the deadline and is now uploaded on the FRA website.

The application is for \$2 million with a period of 5 years (although a sunset date is not known – Tim is checking). Amtrak is providing the 20% match (\$400,000) using non-federal funds (fare box), with the FRA providing the remaining \$1.6 million. The application is comprehensive – more than thirty-five pages with included attachments.

The application received strong support internally from Amtrak (all the way to the top) and from associations

<p>such as, AASHTO, SPRC, RPA, from individual states, and from the major rail manufacturing and supply companies as well as individual members of the industry. The letters of support were submitted with the application.</p> <p>Tim Ziethen reported on 3-1-23 that there is nothing new on the status of this application, but that the timeframe for hearing whether it is approved or not is May-June 2023.</p>
<p><b>NGEC two-pager:</b></p> <p>The 2023 version of the two-page educational flyer is now available electronically or in hard copy by request from Steve Hewitt. It is also posted on the NGEC website <a href="http://www.ngec.org">www.ngec.org</a>.</p> <p>To date: 325 copies (hard and electronic) have been distributed.</p>
<p><b>Quarterly Grant Progress Reports to FRA:</b></p> <p>The FFY 2023 (first quarter) report was submitted on time.</p> <p>The next report (second quarter 2023) is due to FRA by COB 4-30-23.</p>
<p><b>NGEC Website Refresh:</b></p> <p>The new NGEC website is live at <a href="http://www.ngec.org">www.ngec.org</a> The invoice from iEngineering came in at \$10,000 (\$2,000 below the estimate) and has been paid.</p> <p><b>Task Complete</b></p>
<p><b>Next Call 3-29-23</b></p>

**ATTACHMENTS**



*Our Vision: The NGEC provides national leadership in standardization, acquisition, and management of passenger rail equipment.*

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

**Web Ex video/audio information:**

By Computer: <https://stephenhewitthewittconsulting.my.webex.com/meet/shewitt109>  
 by phone: 1-415-655-0001  
 Access code: 126-073-1531

**AGENDA  
3-1-23**

- 1. Welcome/Open

Tim Ziethen

- |   |                   |
|---|-------------------|
| 2. Roll Call  | Steve Hewitt      |
| 3. Approval – Minutes from 1-4-23   | Tim Ziethen       |
| 4. Treasurer’s Update- Balance and Spend Rate   | Tim Ziethen       |
| 5. Assessment NGEC available funding and prioritization of activities for the period beginning on January 1, 2023, through September 30, 2023 | Tim Ziethen       |
| 6. Next Steps:  | Tim Ziethen/All   |
| Determining if gap funding will be needed and how much.   |                   |
| Determining the source of such funding:   |                   |
| Approaching FRA regarding funding options   |                   |
| Approaching Amtrak regarding funding options  |                   |
| 7. Report to the Executive Board on findings and strategy for the next 7 months and beyond.   | Tim/Ray Hessinger |
| 8. Other Issues/Questions   | Tim               |

**Next Call 3-29-23**