

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

APRIL 26, 2023

3:00PM EASTERN

WEBEX MEETING

FACILITATOR	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Tim Ziethen, Brian Beeler II, Ray Hessinger, Jeff Gordon, Jason Biggs, Jason Biggs also as proxy for John Oimoen, Amanda Martin, Mike Murray, Shayne Gill, Strat Cavros, Barley Fields, Steve Hewitt</i>
ABSENTEES	<i>John Oimoen, Troy Hughes, Larry Salci,</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 3-1-23 and 3-29-23 meetings – Tim Ziethen, Amtrak

In a motion offered by Amanda Martin, Iowa DOT, and seconded by Ray Hessinger, NYSDOT, the minutes from the 3-1-23 and 3-29-23 meetings were approved as presented.

4.

Treasurer’s Update- Balance and Spend Rate – Forecast – Tim Ziethen:

Tim Ziethen reported that the Balance, Spend Rate and Forecast is the same as it was for the most recent NGECE Executive Board meeting held on 4-18-23.

The following is what was reported on 4-18-23 and repeated on today’s call:

Balance/Spend Rate Through February 2023

Total Initial Grant Amount: \$1,250,000.
 Expenses Incurred through February 2023: \$1,129,071.67
 Balance remaining: \$120,928.33.
 Estimated spend at current rate for balance of the Grant: \$102,642.88
 Current Spend Rate per month (as info and used in calculating): \$14,663.27.
 Estimated Balance at the end of the Grant Period: \$18,285.45

Forecast:

Remaining Funds through January 2023: \$120,928.33
 Balance Run Rate: \$18,285.45
 Carry Forward in Balance: \$15,008.00

Available: \$33,293.45

Expenses Above Run Rate:

Larry Salci: Tech Review: \$19,131.35 (as of 4-26-23 this invoice has been **paid** – see below)
 Casamar/TLK: \$17,346.30
 Website Refresh: iEngineering has been **paid**.
 Annual Meeting Travel/Misc.: Some Annual Meeting costs – travel have been received and accounted for -. **paid**.

Forecast Above Run Rate: \$ 36,477.65

Balance Favorable/Unfavorable: \$ (3,184.20)

Strat Cavros, AASHTO added that the incurred costs for March were \$31,329 which includes the \$19,131 for Larry Salci. Tim Ziethen will adjust the Treasurer's Report to reflect these expenditures and provide them to Steve Hewitt in advance of the next Executive Board meeting 5-2-23.

Tim added that this would lower the anticipated expenditures and bring the NGEC closer to having a favorable balance at the end of the performance period. We are right on the edge.

**5.
NGEC funding issues/potential interim solutions - Tim Ziethen:**

Tim reported that internally – Amtrak and FRA are having discussions about how to handle funding going forward. With the CRISI Grant announcement timeline pushed back from a May-June (2023) time frame it is now expected to take place in the August-September (2023) time frame.

If awarded a CRISI Grant – there is always a period of close to 6 months before the funds are actually received. Therefore, there will be a period where the NGEC will need additional funds in the interim or will need to shutdown.

Tim has had conversations with FRA (Mike Murray and Jeff Gordon) looking at whether Amtrak could provide that funding for a period of time including addressing any shortfall. Discussions have started internally at Amtrak and FRA with Tim having had discussions with Amtrak Grants and as recently as today had an email exchange with Mike Murray, FRA.

Discussion revolves around the possibility of requesting bridge funding under the current Amtrak Grant from FRA. This would need approval from Amtrak senior management and go through FRA.

There was also a discussion about the need to write up a no-cost extension to serve as the vehicle for additional funds. Tim noted that this cannot be requested until 90 days before the end of the current Grant period – 6-1-23.

Tim stated that he has not yet gone to Amtrak Legal about other possible options. He is working first with the Amtrak Grants Office on the possibility of a no-cost extension – which would require a new WBS and the close-out of the current WBS. This would be the third extension.

Tim commented that “we are trying to do a lot – quickly – and also if it looks like it will land heavier – to close out this year – we will need to look to Amtrak.” Tim added that all of these possibilities will need senior leadership approval in Amtrak – but noted that there has been great support for the NGEC.

Jeff Gordon, FRA, provided some clarification. He noted that in previous discussions it has been stated that the current grant funds are available until expended. Therefore, “once expended, the grant is over. I am not sure that a multi-month extension is needed.”

Jeff noted that it may be possible that Amtrak fund the NGEC directly through AASHTO using funds from the Amtrak annual grant.

FRA will need to hear from Amtrak on its view, its but-in, a plan and then have them “pitch it to FRA.”

Tim agreed that “presumably, the Amtrak annual grant is the best way to handle it.”

Tim also noted that if there is a gap at the end - he is discussing how Amtrak could cover that.

There is also the question of whether Amtrak is thinking about how long they can fund the NGEC if there a CRISI Grant is not awarded.

Tim repeated that “no one wants to the work to stop,” but “we are just looking at what the mechanics are and a way to go.”

On exploring other potential funding options such as the industry, or subscription-based funding etc. Conflicts of interest become a concern. The NGEC creates challenges to those and other potential alternatives.

The timeline for beginning the shutdown remains the same as initially recommended by FASC and agreed to by the Executive Board and that is a June timeframe. By then, Tim hopes to have some clarity on options and on next steps.

Tim is continuing to reach out internally for clarification and will report back as soon as he has some answers.

The Executive Board meets next week (5-2-23) and this topic will be on the agenda. Tim will provide any additional information that he gets between now and then.

6.

Status: Quarterly Report to FRA for the period ending 3-31-23 – due to FRA by 4-30-23 – Tim Ziethen:

Steve Hewitt and Tim Ziethen have been working on completing the quarterly progress report to FRA. Tim stated that he has one more review of it to do and he will then submit it on time (due 4-30-23) – likely tomorrow (4-27-23).

7.

Other issues/questions – All:

With no other business forthcoming, Tim Ziethen adjourned the call at 3:25pm Eastern.

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

by phone: 1-415-655-0001

Access code: 126-073-1531

5-24-23

Decisions - Action Items

Treasurer's Report – 4-26-23:

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NGEC Funding - FASC Recommendation – accepted/approved by NGEN Executive Board on 3-7-23:

Continue to monitor the current funding and expenditures closely.

Accept the reduced 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.

3-29-23:

Ray Hessinger suggested that the Committee be ready immediately after the May-June timeframe to go directly to Amit Bose, FRA with a request for funding if a CRISI grant is not awarded. This request should be ready to go, but not sent until the CRISI grant announcements have been made. Only if the NGEC grant is not awarded would the request for direct FRA funds be submitted.

4-26-23:

The recommendation for a June timeframe for starting the shutdown remains the same. It is now known that the CRISI Grant awards will not be announced until August-September – so bridge funds will be needed to continue the NGEC's work. It is hoped that there will be clarification on options and next steps by June.

CRISI Grant Application Status:

As of 3-29-23:

No change from previous report. Announcements on grant applications to be awarded are anticipated to occur in the May-June 2023 timeframe.

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 the 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 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.

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.

The FRA has announced on its website that CRISI Grant Award announcements have been pushed back from a May-June timeframe to an August-September timeframe.

NGEC two-pager:

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 www.ngec.org.

To date: 330 copies (hard and electronic) have been distributed.

Quarterly Grant Progress Reports to FRA:

The FFY 2023 (first quarter 2023) report was submitted on time.

The FFY 2023 second quarter report is due to FRA by April 30, 2023 and is expected to be submitted on 4-27-23.

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Next Call 5-24-23

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 4-26-23

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| 1. Welcome/Open | Tim Ziethen |
| 2. Roll Call | Steve Hewitt |
| 3. Approval – Minutes from 3-1-23 and 3-29-23 | Tim Ziethen |
| 4. Treasurer's Update- Balance and Spend Rate - Forecast | Tim |
| 5. NGEC funding issues/potential interim solutions: | Tim |

Obtaining Gap funding and determining the source of such funding

Summary/overview of discussion with FRA re: Amtrak providing Bridge funding in light of CRISI Grant announcements being pushed back to August-September.

Preparing a 12 month no-cost extension of the current grant agreement to use as the vehicle for potential bridge funding. Next Steps/timeline.

Status: Exploring other potential funding options.

Status: Discussions with Amtrak Legal re: what can and cannot be done re: interim funding from Amtrak.

Timeline to begin shutdown if necessary – Is that still June?

- 6. Status: Quarterly Report to FRA for the period ending 3-31-23 – due to FRA by 4-30-23 Tim
- 7. Other Issues/Questions Tim

Next Call 5-24-23