

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

MAY 25, 2023

3:00PM EASTERN

WEBEX MEETING

FACILITATOR	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Tim Ziethen, Amanda Martin, Amanda Martin also as proxy for Brian Beeler II, Jason Biggs, and John Oimoen, Troy Hughes, Troy Hughes also as proxy for Ray Hessinger, Jeff Gordon, Mike Murray, Strat Cavros, Steve Hewitt</i>
ABSENTEES	<i>John Oimoen, Jason Biggs, Ray Hessinger, Brian Beeler II, Shayne Gill, Barley Fields, 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 4-26-23 meeting – Tim Ziethen, Amtrak

On a motion offered by Troy Hughes, MODOT, and seconded by Amanda Martin Iowa DOT, the minutes from the 4-26-23 meeting was approved as presented.

4.

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

Steve Hewitt walked through the current Treasurer’s report (Tim was on the call remotely and did not have the report with him)

Balance/Spend Rate Through March 2023

Total Initial Grant Amount: \$1,250,000.
 Expenses Incurred through March 2023: \$1,161,003.14
 Balance remaining: \$89,996.85.
 Estimated spend at current rate for balance of the Grant: \$89,307.93
 Current Spend Rate per month (as info and used in calculating): \$14,884.66.
 Estimated Balance at the end of the Grant Period: **(\$311.07)**

Pending:

Steve Hewitt updated these numbers slightly based on an updated estimate from Tammy Krause (TLK) on anticipated invoice to be submitted for Document Control activities. The estimate for the two pending items is slightly less, but awfully close to the previous estimates.

As of 5-25-23:

Casamar: \$9,546.30 TLK: \$7,425.00

Casamar/TLK: original estimate \$17,346.30 - updated estimate: \$16,971.30

Tim Ziethen noted that the base line spend estimates do not include the Casamar/TLK expenditures, and “it could push us over” but it depends on the next few months of spending – while the average spend rate is around \$15,000, it often comes in lower.

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

Tim reported that he is creating a no-cost extension to facilitate expenditures beyond the end of the federal fiscal year. It is to be the mechanism to take care of any ongoing expenses that we may have as the grant agreement ends.

Tim also reported that he has a verbal commitment from the Amtrak Grants office to cover the gap funding if the expenses go over the remaining funds.

Additionally, Tim reported that he is putting together a line-item project in a budget request for the next fiscal year. The one caveat is that it is still subject of approval in the final budget process that will take place over the summer.

There are still questions to be answered/resolved regarding resources – should it be tied to the Amtrak Annual Grant from FRA or as a line-item in the Amtrak budget. The grants office is looking into this.

Tim commented that he still needs to talk to FRA (Mike Murray and Jeff Gordon) about various particulars.

He asked if they had anything to add today. Mike Murray responded that he had nothing additional today.

Tim commented further that the accounting folks at Amtrak are considering treatment in the budget process – basically the concept is going through the Amtrak internal process. He expects it will be a “July-ish” timeframe.

Tim added that George Hull (Amtrak CMO) is onboard with the proposed interim solution and believes the NGEC should continue. (This is also true throughout Amtrak senior management).

Tim’s recommendation is to continue the work at a minimal level – “do not pull the plug -we are steadying the ship and continue to be hopeful for a CRISI grant award.

The line-item project budget proposal would need a new NBS and there would need to be a change in the By-laws which currently reference the grant.

Steve Hewitt asked Tim how long the proposed interim agreement was to be for.

Tim responded – “12 months”.

Steve asked what the amount of funding was that is being considered – as the current spend-rate is around \$15,000 a month and that would equal about \$180,000?

Tim answered that he has preliminarily asked for \$200,000 to provide a cushion.

Steve noted that there is new work that is being planned – if the NGEC is funded that would add some costs. The work being considered would entail obtaining final specs as changed by entities that have used the NGEC specs as a base line. This will take some work and some time. The specs would be reviewed and changes made would need to be itemized and sent through the NGEC DCR process. The additional costs would be related to Larry Salci -Review Panel Consultant, Camren Cordell (Casamar) - Technical Writing, and Tammy Krause (TLK) for additional Document Control activities.

Tim agreed and added that there is some time to provide Amtrak Finance with a better estimate of anticipated costs than the back of the envelope amount he was using. He noted that it should be an amount that goes no further than \$300,000.

Steve Hewitt commented that this should be discussed on next week’s Executive Board call and likely an SOW and budget should be provided. There has only been peripheral discussions about what the NGEC will do beyond 9-30-23, but not knowing if there would be continued funding – the Board has simply asked that the activities be outlined and that document control and technical writing be ready to go if new funding is provided.

Tim agreed – and will plan to report to the Board next week and have this discussion. He also asked for time with Mike Murray and Jeff Gordon at a convenient time. Mike responded that he should be able to get together with Tim sometime next week.

Tim would like to confirm with FRA the mechanics and on what approvals Amtrak will need from FRA – especially if it is a line item in the Amtrak budget.

Tim also added that there is also the issue of whether the NGEC would be a capital project but not “capitalizable” or if it would be considered an operating cost project.

The NGEC actually does have assets – specifications. There are details to be worked out, but the NGEC is considered to be something that Amtrak believes should continue.

**6.
Timeline for Shutdown if Necessary – is it still June? – Tim:**

As noted above, Tim Ziethen’s recommendation is that the Committee work should continue with a close eye on spending and it should not “pull the plug.” As also noted in the above discussion Tim anticipates that the NGEC will not be shut down, that interim funding will be provided. Amtrak is supportive of the NGEC and believes it should continue.

**7.
Other issues/questions – All:**

Troy Hughes, MODOT expressed his appreciation for the hard work Tim Ziethen has done in trying to find funding solutions to keep the NGEC going.

With no other business forthcoming, Tim Ziethen adjourned the call at 3:26pm Eastern.

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

by phone: 1-415-655-0001

Access code: 126-073-1531

6-21-23

Decisions - Action Items

Treasurer’s Report – 5-25-23:

Balance/Spend Rate Through March 2023

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NGEC Funding - FASC Recommendation – accepted/approved by NGEC 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.

5-25-23:

Tim Ziethen's recommendation is that the Committee work should continue with a close eye on spending and it should not "pull the plug." As also noted in the above discussion Tim anticipates that the NGEC will not be shut down, that interim funding will be provided. Amtrak is supportive of the NGEC and believes it should continue.

Path Forward/Potential Interim Solutions:

Gap Funding:

On 5-25-23, Tim Ziethen reported that he is creating a no-cost extension to facilitate expenditures beyond the end of the federal fiscal year. It is to be the mechanism to take care of any ongoing expenses that we may have as the grant agreement ends.

Tim also reported that he has a verbal commitment from the Amtrak Grants office to cover the gap funding if the expenses go over the remaining funds.

Future – Interim – funding:

On 5-25-23, Tim Ziethen reported that he is putting together a line-item project in a budget request for the next fiscal year. The one caveat is that it is still subject of approval in the final budget process that will take place over the summer.

The length of the agreement being considered is for 12 months at \$200,000. The funding amount is a rough estimate based on current monthly spend rate and some "cushion." With additional work anticipated by the NGEC – this funding request may be increased. This will be a discussion on the Board meeting on 5-30-23. It is likely a SOW and budget will be recommended to determine what the additional activities will cost.

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: 333 copies (hard and electronic) have been distributed.

Quarterly Grant Progress Reports to FRA:

The FFY 2023 second quarter report was submitted on time.

The next report is due to FRA by July 31,2023.

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

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Next Call 6-21-23

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>

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AGENDA

5-25-23

4:00PM Eastern

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| 1. Welcome/Open | Tim Ziethen |
| 2. Roll Call | Steve Hewitt |
| 3. Approval – Minutes from 4-26-23 | Tim Ziethen |

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| 4. Treasurer's Update- Balance and Spend Rate - Forecast | Tim |
| 5. NGEN funding issues/potential interim solutions – a path forward: | Tim |
| 6. Timeline for Shutdown if Necessary – is it still June? Steps to be taken? | Tim |
| 7. Other Issues/Questions | Tim |

Next Call 6-21-23