

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

FEBRUARY 11,
2015

3:00PM EASTERN

CONFERENCE
CALL/WEBINAR

FACILITATOR	<i>Darrell Smith, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Darrell Smith, Brent Thompson, Ray Hessinger, Arun Rao, Eric Curtit, Michael Lestingi, Nico Lindenau. Strat Cavros, Steve Hewitt</i>
ABSENTEES	<i>Tammy Nicholson, Brian Beeler, Tim Hoeffner, Martha Gebbie, Sal DeAngelo, Larry Salci, Jason Biggs, Jeff Gordon, Shayne Gill, Vincent Brotski</i>

DECISIONS MADE

1. Welcome and Open Meeting – Darrell Smith:

Subcommittee Chair Darrell Smith, Amtrak, opened the conference call meeting and asked Steve Hewitt to call the roll.

2. Roll Call – Steve Hewitt:

Steve Hewitt called the roll, and, where at first there was no quorum, as the call progressed a quorum was established.

Action Items Review

3.

Action Items Review – Steve Hewitt:

Darrell Smith will continue to reach out to WMATA about a possible presentation from a multi-state organizational perspective. Other Finance subcommittee members who may have a contact at WMATA are asked to reach out or provide that contact information to Darrell Smith. (Ongoing)

WMATA is undergoing organizational changes which will make it difficult, in the near term, to find a contact for making a presentation.

Status: Nothing new to report.

Developing a DRAFT SOW for a no-cost Grant Extension through 9-30-17:

The FASC approved the revised SOW on 1-14-15.

Status: Nico Lindenau provided the agreed upon FRA language for inclusion in the SOW, and Darrell Smith incorporated it and a few text corrections. Steve Hewitt distributed it to the Executive Board. The Board discussed it on February 3rd and were asked to provide comments to Darrell and Steve by COB on February 6th. No comments have been received.

On the February 3rd call – the Board agreed that a look at adding some of the un-programmed reserve for the 514 subcommittee administrative support may be prudent. Steve Hewitt has been asked to provide input on what would be needed in terms of tasks and costs. Further discussion will take place at the Annual Meeting – where the SOW is expected to be adopted.

Revision/updating NGEN By-Laws:

Status: On February 3, 2015, the Executive Board adopted the revised/updated Bylaws as presented. Steve Hewitt has put them in final form and distributed them to Board members (and to the FASC with today's meeting materials). AASHTO will post them to the website and a copy will be in the Annual Meeting hand out packet. **Task Complete.**

Developing Funding Option recommendations for continuing the NGEC:

For the next FASC call, Darrell Smith and Steve Hewitt will put together an outline of what has been done to date with regard to the NGEC future – funding options, functions and structure. Steve will distribute the David Ewing summary as well as the presentation given by Eric Curtit at the October Board meeting; and the original NGEC future working group's concept paper.

Status: Steve Hewitt compiled pertinent documents related to work already done with regard to the NGEC of the future to provide background and context. These items were distributed to all FASC members last week.

Further discussion will take place under agenda item 6.

All Aboard Florida: Steve Hewitt was asked to raise this issue with the Technical subcommittee (1-15-15) to see if any of its members had a contact at All Aboard Florida and to discuss what the next steps should be for outreach. Nico Lindenau agreed to be on the call and provide a summary of this concept to the Technical subcommittee.

Status: Both the Board and the Technical subcommittee have discussed the All Aboard Florida AAF issue and the possibility of assessing fees for specification use. Eric Curtit has been provided some information on who to contact to start a dialogue with AAF. The Board agreed that, as NGEC Chair, Eric should do the outreach. At this point it is more with regard to sharing changes as they are made to the spec rather than assessing a fee after the fact.

Treasurer's report and FASC update presentation for the Annual Meeting:

Darrell Smith will draft the presentation for distribution to FASC members by 2-2-15. The presentation will be discussed and commented on during the 2-11-15 conference call.

Status: A draft presentation was distributed to all FASC members on 2-10-15 for discussion on today's call.

Agenda item #5

4. Approval of the Minutes from 1-14-15– Darrell Smith:

On a motion by Eric Curtit, Missouri DOT, and a second by Arun Rao, Wisconsin DOT, the minutes from 1-14-15 were approved without exception.

5. Review: NGEC Annual Meeting Treasurer's /FASC report - Darrell Smith:

Darrell Smith provided an overview of the proposed Annual meeting presentation: (inserted here as a part of the minutes for today's call)

NGEC Future Activities

- At the October 24, 2014 NGEC Board Meeting in Wilmington, DE, the Board merged the Finance and Administrative Sub-Committees into a single Sub-Committee (FASC).
- The Board tasked the FASC with continuing the NGEC Future efforts of:
 - Updating the NGEC By-Laws
 - Draft revised Statement of Work for FRA Grant extension
 - Recommend future funding options

Updating the NGEC By-Laws

- FASC approved revisions to the Bylaws on its January 14, 2015 conference call.
- Revised version was sent to all Board members on January 16th.
- Ray Hessinger, FASC vice Chair, reviewed the proposed revisions on February 3, 2015 Executive Board call.
- Revisions include updates to sub-committee organization and language for new FASC.
- Board requested to approve on later action item today.

Revised SOW for FRA Grant

- The FASC approved the proposed SOW on January 14, 2015, with the agreement of additional language as presented by FRA.
- Extends the program through **September 30, 2017**.
- Maintains total program budget of \$4 million.

Budget Through 6/30/2015

	Executive Board	Technical Sub-committee	Finance Sub-committee	Administrative Task Force	Joint Procurement Task Force	Structure and Finance Task Force	Equipment Capital Work Group	AASHTO Support Services	TOTAL
Labor		\$1,059,061		\$270,987				\$599,586	\$1,929,634
Meetings								\$80,675	\$80,675
Travel				\$11,289			\$20,000	\$172,561	\$203,849
Professional Services	\$0	\$210,466						\$1,370,078	\$1,580,544
Financial Review			\$150,000						\$150,000
Conference Calls								\$5,097	\$5,097
Webinar								\$43,000	\$43,000
Contingency	\$0								\$0
Web Site								\$7,200	\$7,200
TOTAL	\$0	\$1,269,527	\$150,000	\$282,275	\$0	\$0	\$20,000	\$2,278,197	\$4,000,000

Spending Through 9/30/2014

	Executive Board	Technical Sub-committee	Finance & Admin. Sub-committee	S 209 Equipment Capital Work Group	AASHTO Support Services	TOTAL
Labor		\$508,145	\$162,316		\$351,090	\$1,021,551
Meetings					\$51,836	\$51,836
Travel			\$6,139		\$113,108	\$119,247
Professional Services		\$181,021			\$1,067,472	\$1,248,493
Financial Review						\$0
Conference Calls					\$297	\$297
Webinar					\$79	\$79
Reserve (Contingency)						\$0
Web Site					\$0	\$0
TOTAL	\$0	\$689,167	\$168,454	\$0	\$1,583,882	\$2,441,503

Revised SOW Budget

	Executive Board	Technical Sub-committee	Finance & Admin. Sub-committee	S 209 Equipment Capital "514" Sub-committee	AASHTO Support Services	TOTAL
Labor		\$652,145	\$225,886		\$591,090	\$1,469,121
Meetings					\$141,836	\$141,836
Travel			\$18,139		\$203,108	\$221,247
Professional Services		\$331,021			\$1,491,672	\$1,822,693
Financial Review			\$150,000			\$150,000
Conference Calls					\$3,297	\$3,297
Webinar					\$30,079	\$30,079
Reserve (Contingency)	\$158,727					\$158,727
Web Site					\$3,000	\$3,000
TOTAL	\$158,727	\$983,167	\$394,024	\$0	\$2,464,082	\$4,000,000

Financing Options

- Held one more webinar on Nov. 19, 2014
 - *Passenger Surcharges & Impact on Fares/Pricing*
Robert Pee, Amtrak
- FASC is now compiling all of prior efforts and discussions, and establishing framework for discussion for eventual recommendations to the Executive Board.

Treasurer's Report

- Spending continues to within the proposed Statement of Work envisioned levels.
- From 10/1/2014 – 12/31/2014, expenses invoiced to FRA were \$55,706.85.
- While anecdotal, if annualized, rate is \$223,000, well below the envisioned \$519,000 per year, FY2015 –

FY2017.

Spending Through 12/31/2014

	Executive Board	Technical Sub-committee	Finance & Admin. Sub-committee	S 209 Equipment Capital Work Group	AASHTO Support Services	TOTAL
Labor		\$514,980	\$166,272		\$365,398	\$1,046,650
Meetings					\$53,036	\$53,036
Travel			\$6,547		\$113,108	\$119,655
Professional Services		\$181,021			\$1,096,472	\$1,277,493
Financial Review						\$0
Conference Calls					\$297	\$297
Webinar					\$79	\$79
Reserve (Contingency)						\$0
Web Site					\$0	\$0
TOTAL	\$0	\$696,001	\$172,818	\$0	\$1,628,390	\$2,497,210

Treasurer's Report

- As of December 31, 2014, FRA grant has \$1,502,790.01 remaining.

Discussion:

General comments were that this was a good presentation – at the right tone and level for the NGEAC Annual Meeting. It was agreed that FASC members will have until COB on Thursday 2-12-15 to submit any comments they may have. At that point Darrell will finalize the presentation and send it to Steve Hewitt for the Annual Meeting.

6.

Discussion -Developing Funding Option recommendations for continuing the NGEAC - Darrell Smith:

Darrell Smith reported that Steve Hewitt had sent out all of the pertinent materials that had been developed previously in relation to funding and structure options for the NGEAC future.

Darrell asked if others had had a chance to digest the material and if so, is there a suggestion as to an approach to moving the discussion forward.

Eric Curtit noted that the FRA I looking for something soon for the long term approach and that the short term is pretty well in hand as summarized by the revised SOW aimed at "stretching the dollars".

Steve Hewitt reminded members that the timeline is for the FASC to submit recommendations to the Executive Board in regard to funding options for the NGEAC future by October, 2015. The idea is to have the Grant Agreement extended at no-cost through 9-30-17 and a proposal for long term funding and a possible organizational structure to be put forward in October, 2015 to allow time for implementation.

Michael Lestingi, FRA, asked if we have the information we need with regard to program models used by the other modal agencies if that is to be a component of the future funding for the NGEAC.

Michael emphasized the need for details on other models that do not rely on congressional action – short term, middle term, long term and some specificity to take to the Hill.

Steve Hewitt noted that the letter that is being circulated among the state members of the Board (agreed to in principle on the last Board call) was meant to set the stage for funding for the FRA modeled after other modal agencies. Steve

noted that Shayne Gill may be the best one to help with specificity as he was the one who recommended that the Board make the request from this perspective, and that he (Shayne) drafted the paragraph in the letter pertaining to this specific concept.

Michael Lestingi added that as the subcommittee explores various funding options, there may well be structural requirements to be considered as well.

Depending on what the level of appetite of the Committee is – the development of business oriented models or revenue producing models may equate to a more complex legal structure. Once a road map is developed, the Committee may need to consult legal counsel to address corporate and/or legal issues – even to the degree of setting up a bank account if the NGEC is to derive revenue from fees or something of that nature.

**7.
Next Steps – Darrell Smith:**

It was agreed that Steve Hewitt would contact Shayne Gill to ask that he help with specifics which would be useful in developing a strategy to move this forward beyond the letter. The letter is ok as drafted, as it sets the table, but specifics, and a strategy need to be identified.

Darrell Smith and Steve Hewitt will put together a one page summary of items/concepts discussed to date, to help form the basis for the Board discussion at the Annual Meeting.

**9.
Adjourn –**

With no further business to come before the subcommittee today, Chairman Smith adjourned the call at 3:33PM Eastern.

**Next Finance and Administrative subcommittee conference call March 11, 2015
866 209 1307 access code: 9786620#**

Decisions and Action Items

Darrell Smith will continue to reach out to WMATA about a possible presentation from a multi-state organizational perspective. Other Finance subcommittee members who may have a contact at WMATA are asked to reach out or provide that contact information to Darrell Smith. (Ongoing)

WMATA is undergoing organizational changes which will make it difficult, in the near term, to find a contact for making a presentation.

Developing a DRAFT SOW for a no-cost Grant Extension through 9-30-17:

The FASC approved the revised SOW on 1-14-15.

The Board has reviewed and discussed the SOW, as approved by the FASC and a final DRAFT has been distributed and will be considered at the Annual Meeting – February 20, 2015.

Revision/updating NGEC By-Laws: On February 3, 2015, the Executive Board adopted the revised/updated Bylaws as presented. Steve Hewitt has put them in final form and distributed them to Board members (and to the FASC with today's meeting materials). AASHTO will post them to the website and a copy will be in the Annual Meeting hand out packet. **Task Complete.**

Developing Funding Option recommendations for continuing the NGEC:

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Darrell Smith and Steve Hewitt will put together a one page summary of items/concepts discussed to date, to help form the basis for the Board discussion at the Annual Meeting.

Treasurer's report and FASC update presentation for the Annual Meeting:

It was agreed that FASC members will have until COB on Thursday 2-12-15 to submit any comments they may have on the DRAFT presentation prepared by Darrell Smith. At that point, Darrell will finalize the presentation and send it to Steve Hewitt for the Annual Meeting.

ATTACHMENTS

Next Generation
Equipment Committee



The NGEC will provide national leadership in standardization, acquisition, financing and management of passenger rail equipment.

SECTION 305 Finance and Administrative Subcommittee (FASC)

Conference call

February 11, 2015

3:00pm. Eastern

866 209 1307 pass code 9786620#

MEETING AGENDA

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| 1. Welcome/Open | Darrell Smith |
| 2. Roll Call | Steve Hewitt |
| 3. Action Item Review | Steve Hewitt |
| 4. Approval of the Minutes from 1-14-15 | Darrell Smith |
| 5. Review: NGEC Annual Meeting Treasurer's /FASC report | Darrell Smith |
| 6. Discussion -Developing Funding Option recommendations for continuing the NGEC | Darrell Smith |
| 7. Next Steps | Darrell Smith |

8. Other Issues/questions

All

Next Call March 11, 2015

Call in # 866 209 1307 passcode 9786620#