

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES JUNE 27, 2018 3:00PM EASTERN CONFERENCE CALL

FACILITATOR	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Tim Ziethen, Beth Nachreiner for Michael Lestingi, Eric Curtit, Eric Curtit as proxy for Brent Thompson, Tim Hoeffner, Amanda Martin, Strat Cavros, Steve Hewitt,</i>
ABSENTEES	<i>Michael Lestingi, Jeff Gordon, Ray Hessinger, John Bell, Brent Thompson, Arun Rao, Jason Biggs, Brian Beeler II, Larry Salci,</i>

DECISIONS MADE

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

Subcommittee Chair, Tim Ziethen, 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 confirmed the presence of a quorum.

3. Approval of Minutes from the 5-2-18 and 5-30-18 FASC conference calls – Tim Ziethen, Amtrak:

Due to the lack of a quorum, approval of the minutes from the 5-2-18 had been tabled on 5-30-18 for consideration on today's call (6-27-18). On a motion offered by Eric Curtit, MODOT, and seconded by Tim Hoeffner, MDOT, the minutes from 5-2-18 and 5-30-18 were approved without exception or objection.

4. Status Updates – Tim Ziethen, Amtrak:

- Execution of Revised SOW Grant Agreements – NGEC/SAIPR – Tom Ziethen/Beth Nachreiner: Amtrak is finalizing edits to the SOW and expects to send it back to FRA later today or tomorrow *6-27 or 6-28-18). Tim Ziethen offered to schedule a call with FRA to answer any questions FRA may have. There are "lots of notes to work with in the document" that may warrant a discussion. Beth Nachreiner will let the FRA grants office know to expect the SOW in the next day or so and that Tim Ziethen is willing to "chat with them if there are questions".

Tim asked the question of whether the SOW would still need to go back to the NGEC Executive Board for approval since there were so many changes. Steve Hewitt asked if they were substantive changes or simply wording or context. Tim didn't necessarily feel they were too substantive but there are enough changes that it should be looked at, at least, by Steve Hewitt for a determination. Steve agreed to look and include Chairman Eric Curtit as well. Steve and Eric can then recommend if this needs to go back to the Board.
- Reimbursing Amtrak for Invoice payment to AASHTO - Michael Lestingi/Eric Curtit:

No resolution to this issue has come forth yet. Michael Lestingi and Eric Curtit have not yet connected to discuss potential ways to resolve the issue.

5. Treasurer's Update- NGEC Budget Status – Expenditures to Date/Balance/Spend Rate – Tim Ziethen:

Tim Ziethen reported the NGEC continues to be in underspending mode. Invoice #3 in the amount of \$40, 957

is in final review by Amtrak and should be paid soon. The last quarter expenditures totaled \$64,981. Tim does not have the sum-total for today's call, but the spend rate is much under what was expected. The most recent invoice is about on target, and there will be an increase in expenditures as the specification update process continues to move forward. Still, for budgeting purposes, the NGEC is well under spending.

Strat Cavros, AASHTO, noted that they show an outstanding invoice for the April – June 2017 period in the amount of \$55,106 and wondered if Tim had been able to determine where that stands.

Tim has done some research, and has more to do, but "our system says it was paid – however there is no proof of a check...there was a voucher cut and paid (according to Amtrak). Tim does not know if it was sent by check or electronically. The Purchase Order was complete. The invoice # is S1017042.

Tim went on to further emphasize that his research shows "it is an approved/paid invoice. We need to get proof of how it was paid..." and to determine what the discrepancy is.

Tim will find out what he can and follow up with Strat and keep the FASC informed.

**6.
Update/Next Steps – Requesting a 12 month No-Cost Grant Agreement Extension – Tim Ziethen:**

Tim Ziethen reported that there is no question that the Committee will need a 12 month no-cost extension – there will be no need for additional funding for the extended period based on the spend rate. The question is process and timing.

Tim asked Beth Nachreiner if she was aware of how the NGEC should proceed. Beth's instincts are that the NGEC should make a formal request to FRA Grants.

Eric Curtit noted that "we can figure out how to do it as we have done many extensions over the years, but we need confirmation that we can do a no-cost extension." It was Eric's impression that this "new" grant with "a new flavor" of money was not eligible for an extension.

Beth Nachreiner will check with FRA grants on the question of eligibility and get back to Eric with the answer. Once this question is resolved the next steps can be determined.

**7.
Update – NGEC Audit – timing and process – Tim Ziethen:**

Tim has inquired about the Audit and has been given a contact name at Amtrak's OIG to go to but needs to follow up with Amtrak Grants as to what the timing is relative to this grant.

**8.
NGEC By-Laws Review – anticipated timeline – Steve Hewitt:**

On 5-30-18, It was agreed that Steve Hewitt, and Ray Hessinger will conduct the annual NGEC By-Laws Review, and that they would discuss the timeline off-line (following the 5-30-18 FASC call. The review was not anticipated to be undertaken until early Fall.

Steve and Ray spoke after the call on 5-30-18 and agreed that the By-Laws review will be conducted in the early Fall and submitted to the FASC for review and consideration thereafter, with a goal of final Executive Board approval of any changes that may be recommended by the end of December 2018. As there was an extensive/comprehensive review conducted in 2017, with many major and minor revisions adopted by the NGEC Executive Board, it is not anticipated that there will be many – if any- changes required.

**9.
Other Issues/Questions – All:**

The next call is scheduled for July 25, 2018

The call-in number is:

888 585-9008 passcode 559-120-127#

Decisions - Action Items

Legislative Outreach – developing a strategy and implementation plan to obtain future federal funds for the NGEC: Currently the strategy is to get broad circulation to decision makers of the NGEC two-page fact sheet. This document helps to educate the decision makers (federal and state) on what the NGEC is, what results it has produced; and what its goal are.

To date 165 hard copies and over 300 electronic versions have been distributed. More are available by request through Steve Hewitt. With the current spend rate well below the plan, a no-cost extension of the current grant may need to be considered, but, eventually, additional funding will be necessary to continue the ongoing efforts of the NGEC and its mission to standardize equipment specs and improve cost efficiencies and create jobs by reinvigorating the passenger rail equipment manufacturing and supply industry in the U.S.

Ongoing

Status: Approval/execution of the revised NGEC Grant SOW:

As of 6-27-18, Amtrak is finalizing edits to the SOW and expects to send it back to FRA later today or tomorrow (6-27 or 6-28-18). Tim Ziethen offered to schedule a call with FRA to answer any questions FRA may have.

Tim will provide the edited SOW also to Steve Hewitt and Eric Curtit for their review and a determination as to whether the changes will require another Executive Board review and re-consideration.

Resolving missing invoice payment Amtrak to AASHTO and determining the mechanism for FRA reimbursement of Amtrak:

On 5-30-18, Tim Ziethen reported that the AASHTO invoice has been paid by Amtrak, and Amtrak is waiting for direction from FRA on reimbursement. Tim noted that he believed that the next step, as agreed on the last Executive Board call was for Chairman Curtit to connect with Michael Lestingi, FRA, to see how this can be resolved. Eric Curtit noted that the call has not taken place yet, but that he will press the issue and emphasize that Amtrak needs to be made whole. He will point out that the end of the last grant early, seems to be the cause, and Amtrak is not culpable and must be paid.

Strat Cavros, AASHTO, was asked by Eric Curtit if AASHTO has been made whole now, and Strat responded "yes, for the most part". He added that there is an issue with an August invoice and that he had sent an email today to Tim Ziethen asking for a status update. Tim commented that he believes that everything has been processed and that the August funds were transmitted. He believes the invoice was vouchered and paid. Tim will confirm the information including the check number and provide it to Strat.

NGEC Budget Status – Expenditures to date/Balance/Spend Rate:

On 6-27-18, Tim Ziethen reported the NGEC continues to be in underspending mode. Invoice #3 in the amount of \$40,957 is in final review by Amtrak and should be paid soon. The last quarter expenditures totaled \$64,981. Tim does not have the sum-total for today's call, but the spend rate is much under what was expected. The most recent invoice is about on target, and there will be an increase in expenditures as the specification update process continues to move forward. Still, for budgeting purposes, the NGEC is well under spending.

Invoice discrepancy – April-June 2017:

AASHTO, noted that they show an outstanding invoice for the April – June 2017 period in the amount of \$55,106 and wondered if Tim had been able to determine where that stands.

Tim has done some research, and has more to do, but "our system says it was paid – however there is no proof of a check...there was a voucher cut and paid (according to Amtrak). Tim does not know if it was sent by check or electronically. The Purchase Order was complete. The invoice # is S1017042.

Tim went on to further emphasize that his research shows "it is an approved/paid invoice. We need to get proof of how it was paid..." and to determine what the discrepancy is.

Tim Ziethen will follow up with Strat Cavros, AASHTO and keep the FASC members apprised.

Requesting a 12 month no-cost grant agreement extension:

On 6-27-18, Tim Ziethen reported that there is no question that the Committee will need a 12 month no-cost extension – there will be no need for additional funding for the extended period based on the spend rate. The question is process and timing.

Tim asked Beth Nachreiner if she was aware of how the NGEC should proceed. Beth’s instincts are that the NGEC should make a formal request to FRA Grants.

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Beth Nachreiner will check with FRA grants on the question of eligibility and get back to Eric with the answer. Once this question is resolved the next steps can be determined.

NGEC Audit – timing and process:

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Annual NGEC By-Laws Review – Steve Hewitt:

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888 585-9008 passcode 559-120-127#
Next Call 7-25-18

ATTACHMENTS



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

SECTION 305 NGEC Finance and Administrative Subcommittee (FASC)

Conference call
June 27, 2018
3:00PM Eastern

888 585-9008 passcode 559-120-127#

MEETING AGENDA

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|---|------------------------------|
| 1. Welcome/Open | Tim Ziethen |
| 2. Roll Call | Steve Hewitt |
| 3. Approval of the Minutes from 5-30-18 | Tim Ziethen |
| 4. Status Updates: | Tim Ziethen |
| - Execution of Revised SOW Grant Agreements – NGEC/SAIPRC | Michael Lestingi |
| - Reimbursing Amtrak for Invoice payment to AASHTO | Michael Lestingi/Eric Curtit |
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| 8. NGEC By-Law Review – anticipated timeline | Steve Hewitt |
| 9. Other Issues/questions | All |

Next Call July 25, 2018

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