

SECTION 305 FINANCE SUB COMMITTEE

MINUTES

OCTOBER 23, 2013

3:00PM EST

CONFERENCE CALL

FACILITATOR	<i>Dan Black, Treasurer S305 NGECE Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>Dan Black, Brent Thompson, Kevin Kesler, LeAnna Wall, Eric Curtit, Darrell Smith, Steve Hewitt, Nico Lindenau, Sara Sarkhili, David Ewing, Shayne Gill, Martha Gebbie</i>
ABSENTEES	<i>Jeff Gordon, Vincent Brotski, Bill Bronte, Ashok Sundararajan, Arun Rau</i>

DECISIONS MADE

1. Welcome and Open Meeting – Dan Black:

Dan Black opened the conference call welcoming all participants 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. Review of Action Items – Steve Hewitt:

Steve Hewitt provided a brief status update on all Finance subcommittee action items:

Action Items: Status

The next Finance subcommittee call will take place on October 23, 2013 – a new calendar appointment will be sent to all subcommittee members scheduling the calls for every 4 weeks beginning on October 23, 2013. The new access code will be included in the calendar appointment. **Task Complete**

Darrell Smith will continue to apprise the subcommittee members of the status of compliance with the OIG audit recommendations. **Standing agenda item - #5**

Darrell Smith will present the Treasurer's report at the September 26, 2013 Executive Board meeting and report back to the Finance subcommittee on its next call. **Darrell Smith provided a full treasurer's report at the Executive Board meeting held in Columbus, Ohio, 9-26-13. The Board requested additional information for its Board call on October 15th. Darrell provided a report with the additional information on the 15th. Agenda item 6 will address the status of NGECE budget and a look at the steps needed to extend the current grant agreement – and for how long.**

Note: As read ahead material, Steve Hewitt distributed the updated finance report (as of October 14, 2013) and the September 26, 2013 Treasurer's report to all Finance subcommittee members along with the meeting agenda.

Once the Executive Board has determined its next steps in moving towards austerity, the Finance subcommittee will look at its next steps for exploring finance options. **Based on the 9-26-13 Treasurer's report and the subsequent update on 10-15-13 the Board is looking to proceed with caution, but is of the view that there is adequate funding available to continue at the current run rate through June, 2015. A new SOW and budget is required to request a grant extension from FRA – Darrell Smith will address these steps, and the budget, as part of the discussion under Agenda item #6.**

4. Approval of minutes from 9-11-2013 – Dan Black:

On a motion by Brent Thompson, Washington State DOT, and a second by Kevin Kesler, FRA, the minutes from the 9-11-13 Finance subcommittee conference call were approved without exception.

5. Status Update: Compliance with OIG Audit recommendations – Darrell Smith:

Darrell Smith, Amtrak, provided an update on the status of complying with the OIG's audit recommendations. Darrell reported that there were a total of four recommendations from OIG and, of those four - three are very close to being closed out. The fourth one has to do with "how to handle some minor discrepancies" in the early invoices. Darrell is working with AASHTO staff on this item, and once it has been resolved, all of the OIG audit recommendations will have been closed out. "We'll have a wrap up soon."

6. Status: Review of report to Executive Board re: Budget Status and next steps – Darrell Smith:

Darrell Smith provided an overview of the finance report that he had presented to the Executive Board on October 15, 2013. (the report is attached to these minutes)

In his review of the finance report, Darrell stressed that the anticipated run rate of about \$65,885 per month (which would carry the NGEC for another 17 months beginning April 1, 2014) does not include new items such as those to be included in the SOW and budget of the 305-209 Capital Charge working group. Nor does it include any new items that the various subcommittees or task forces may wish to include over the course of the next grant agreement.

Darrell asked that Steve Hewitt send out a reminder to all task force and subcommittee chairs and to the chair of the 305-209 working group that they should provide him (Darrell) with any new budget items and a statement of work by November 8th, 2013 so that he can present a revised SOW to the Executive Board on its call on November 12, 2013.

When asked to clarify, Darrell explained that based on the current run rate for items that would carry over as ongoing activities we would have 17 months to carry on the continuing work of the NGEC. If a new project is added in the revised SOW it comes off of that amount thus increasing the run rate and decreases the number of months.

Kevin Kesler, FRA, noted that, in discussing the report with Paul Nissenbaum, it was clear that Paul would need to see more detail on what is within some of the larger items in the report. Darrell explained that the SOW will have all of that kind of detail, but he would gladly go through it right now to help clarify.

He was asked what was included in the \$14, 500 per month for the AASHTO Mgr/Policy consultants. Darrell noted that this amount is based on continuing the current amount contracted for Steve Hewitt and David Ewing.

Asked about the AASHTO staff monthly budgeted amount of \$8000.00, Darrell explained this was for a portion of the salaries of AASHTO staff dedicated to 305. It includes Shayne Gill, Strat Cavros, Andy House and Andrea Ryan.

Kevin Kesler asked if he could surmise that this equaled about $\frac{3}{4}$ of one FTE per month. Darrell said that was a reasonable assumption.

Asked about what was included in the travel budget, Darrell explained it was the cost of holding 4 meetings per year – usually two for the Technical subcommittee and two for the Board face to face meetings. It also included the cost of travel for the NGEC state members.

Kevin asked about the Amtrak labor included in the report. Darrell responded that part of it was for a portion of his salary – about $\frac{1}{4}$ of his time is devoted to NGEC work - and two FTE Amtrak Rolling Stock engineering staff.

As for next steps, Darrell noted that Bill Bronte had requested that the subcommittee and task force chairs as well as the 305-209 working group chair provide Darrell with their budgets and SOWs in advance of the next Board call (October 29, 2013), but he had not received anything thus far. Darrell also noted that he will not be available for that call.

Steve Hewitt was asked to send a reminder to the chairs and ask that the information be submitted by November 7th in preparation for the November 12th Executive Board call. Because Darrell will not be available for the October 29th call, Dan Black will reiterate to the Board what Darrell will need and by when so that a revised SOW can be approved by the Executive Board and submitted to the FRA for a grant agreement revision and extension.

Shayne Gill agreed to "nudge" the 305-209 working group about getting its budget and SOW in as it is most critical. The group will be meeting this afternoon following the Finance subcommittee call, so it's a perfect time to remind the group.

Darrell emphasized "we will need to get Board approval for a revised SOW including a revised budget and an extended to date." He added, "this must include the budget and SOW for the 305-209 capital access group" because it is new and nothing is in the current budget or SOW for it.

Eric Curtit noted that some of the task forces and subcommittees would have a difficult time providing detailed statements of work in such a short time because items will need to be vetted within the subcommittees or task forces,

and he noted that the 209 group, specifically, is still ironing out its activities. Eric asked if a more general description of what it is and what is needed can be given to the Board rather than finite details. Darrell said that was a fair statement.

Darrell suggested that he would provide Steve Hewitt with the current SOW for distribution to the chairs along with the reminder. This will provide an example of the type of detail required.

Kevin Kesler commented that in other grants "when seeking an extension you must provide a justification for the extension, why new activities have been identified, and why it is necessary and justified." Kevin suggested that the NGEC would need to do this as well.

Darrell noted that on the SOW "we highlight revisions in gray."

Additional issues raised included what would need to be included for future Review panel efforts (Larry Salci – consultant) and for professional spec writing services for Camren Cordell. Steve Hewitt noted that Dave Warner would likely be the right person to provide those estimates just as he had for this last budget period. Steve will reach out to Dave for this information.

7. Other:

With no other business to come before the subcommittee today, the conference call meeting was adjourned at approximately 3:40 EDT, on a motion by Kevin Kesler, FRA, and a second by Eric Curtit, Missouri DOT.

**Next Finance subcommittee conference call – November 20, 2013
866 209 1307 access code: 9786620#**

Decisions and Action Items

Darrell Smith will provide Steve Hewitt with the current SOW for the grant agreement. Steve will send it along with a reminder to subcommittee, task force, and working group chairs to submit their anticipated budget and SOW requests for the period beginning April 1, 2014 to Darrell Smith by November 7, 2013. Providing the chairs with the current SOW will help them to know what type of detail is needed.

The intent is for Darrell Smith to provide a draft SOW and budget to the Board for its consideration on the November 12, 2013 conference call.

Dan Black will remind Board members on the October 29th call of what is needed and when to pursue a grant agreement extension. The Board will be asked to approve not only a budget and SOW, but also an extended to date.

Steve Hewitt will contact Dave Warner, Amtrak, to request that he provide an estimate of the anticipated Review Panel Specification Revision activities and subsequent contracting with Larry Salci on those Review Panel efforts. He will also ask Dave to estimate the upcoming needs for the services of Camren Cordell – (professional spec writing services) for the period to be covered by the revised grant agreement SOW.

Darrell Smith will continue to apprise the subcommittee members of the status of compliance with the OIG audit recommendations. As of today's call – most items were about to be closed out.

ATTACHMENTS

SECTION 305 Finance Subcommittee Conference Call

**October 23, 2013
3:00pm. EDT
866 209 1307 pass code 9786620#**

AGENDA

- | | |
|---|---------------|
| 1. Welcome/Open | Dan Black |
| 2. Roll Call | Steve Hewitt |
| 3. Review of Action Items | Steve Hewitt |
| 4. Approval of minutes from 9-11-2013 | Dan Black |
| 5. Status Update: Compliance with OIG Audit recommendations | Darrell Smith |
| 6. Status: Review of report to the Executive Board re: budget status & next steps | Darrell Smith |
| 7. Other issues/questions? | All |

Next Finance subcommittee call: November 20, 2013 – 3:00PM EDT

Call in # 866 209 1307 passcode 9786620#

		Expenditures Anticipated by 3/31/2014	Amount Remaining 4/1/2014	Monthly Continuing
Total FRA Grant Funds	\$4,000,000.00			
Amtrak Invoiced to FRA through 7/2/2013				
01/01/10 - 09/30/10	\$132,112.00			
10/01/10 - 12/31/10	19,125.00			
01/01/11 - 03/31/11	0.00			
12/01/10 - 06/30/11	193,914.85			
07/01/11 - 09/30/11	115,539.89			
10/01/11 - 12/31/11	38,456.65			
01/01/12 - 03/31/12	168,098.46			
04/01/12 - 06/30/12	49,891.26			
07/1/12 - 09/30/12	329,318.20			
10/1/12 - 12/31/12	236,625.48			
01/1/13 - 03/31/13	92,297.65			
04/1/13 - 06/30/13	200,736.32			
Amtrak Invoiced to Date	\$1,576,115.76			
Expenses to be Invoiced				
AASHTO (4/1-6/30/2013)	\$301,746.43			
Amtrak Labor (7/1-8/31/2013)	21,080.86			
Sub-Total Expenses to be Invoiced	\$322,827.29			
Pending/Obligated Expenses				
Amtrak OIG Audit	\$50,000.00	\$50,000.00	\$0.00	\$0.00
Remainder of EOMM Consultant (PB)	205,086.35	205,086.35	0.00	0.00
AASHTO Staff (remainder)	164,823.38	72,000.00	92,823.38	8,000.00
AASHTO Mgr/Policy Consultants (remain)	144,545.00	130,500.00	14,045.00	14,500.00
AASHTO Travel (remainder)	187,463.41	20,000.00	167,463.41	3,333.33
AASHTO Meetings (remainder)	42,497.83	10,000.00	32,497.83	1,666.67
AASHTO Meetings (remainder)	2,737.50	2,737.50	0.00	0.00
Specification Consultant	5,050.00	2,660.00	2,390.00	0.00
Face-2-Face Consultant	337,925.77	319,035.33	18,890.44	37,790.69
Amtrak Labor	25,141.71	5,175.00	19,966.71	575.00
Amtrak Travel	47,685.00	47,685.00	0.00	0.00
Technical Specification Consultant	21,421.00	21,421.00	0.00	0.00
ATF Webinars (RR101)				
Sub-Total Pending / Obligated	\$1,234,376.95	\$886,300.18	\$348,076.77	\$65,865.69
Total Expended & Committed	\$3,133,320.00	\$886,300.18	\$348,076.77	\$65,865.69
Contingency / On Hold / Dormant	\$290,850.00	\$0.00	\$290,850.00	\$0.00
Contingency	171,042.00	0.00	171,042.00	0.00
Executive Board Consultant	100,000.00	0.00	100,000.00	0.00
Finance Sub Consultant	100,000.00	0.00	100,000.00	0.00
SFTF Consultant	21,500.00	10,000.00	11,500.00	0.00
ATF Additional Webinars (RR201)	4,800.00	4,800.00	0.00	0.00
AASHTO Conference Calls	7,200.00		7,200.00	0.00
Section 305 NGEN web site	50,000.00	50,000.00	0.00	0.00
Audit 2				
Sub-Total Contingency / On Hold	\$745,392.00	\$64,800.00	\$680,592.00	\$0.00
	\$3,878,712.00	\$951,100.18	\$1,028,668.77	\$65,865.69

Total All Expense Categories			\$121,288.01	
<i>Difference from Grant</i>				
Forecast Remaining on 4/1/2014	\$65,865.69		\$1,149,956.77	17