FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
MEETING MINUTES

July 18, 2014
Suquamish, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. Terry Finn; Ms. Robin Rettew; Mr. Mark Knudsen;
Mr. Larry Paulson; Mr. Tom Trulove; Ms. Sheri Call; Mr. Brian Ziegler; Mr. John Creighton; Mr. Pat Hulcey; and Mr. Brock Nelson.

WELCOME: Chair Dan Gatchet opened the meeting with introductions.

MINUTES: Mr. Brian Ziegler noted a correction on the last page under the Port of Everett, line 2 the amount should be $500K and not $5K. Mr. Ziegler moved and Mr. Larry Paulson seconded the motion to adopt the March 30, 2014 minutes as corrected. ***MOTION CARRIED***

STATE FREIGHT PLAN

Ms. Barb Ivanov, Director of the WSDOT Freight Office discussed the development and contents of the proposed State Freight Plan. Ms. Ivanov explained the criteria for recommendations to the project lists were two-fold, (1) the project had already gone through local planning and (2) it was already on the planning list. The WSDOT projects included on the project list came from the WSDOT unfunded project priority list. August 8, 2014 is the final day for public comment.

Chair Gatchet asked what feedback is WSDOT receiving on the plan. Ms. Ivanov responded calm reactions to the plan. Mr. Ziegler stated that looking at the regional map and last mile plan, didn't see any FMSIB projects. Ms. Ivanov said they did not included funded projects. Director Schmidt explained WSDOT wants to show what is needed. Mr. Ziegler explained that local governments do not use the first mile/last mile in their criteria.

Ms. Ivanov will provide the public meeting locations to the Board.

FMSIB BUDGET

Deputy Director Ashley Probart reviewed the operating budget explaining that the way the budget dollars are spread over a 24-month period you have ups and downs in fund balances which results in some categories being in the red, but at the end of the biennium the budget would be in the black.

Executive Director Karen Schmidt reviewed the capital budget spreadsheets. The projects moving along are Port of Tacoma Road; South Park Bridge; East Marginal Way Truck Access (MOU); Port of Vancouver Rail Tie (last of the $10M commitment); Strander Blvd; and Bigelow Gulch/Forker Road (next phase is widening and continuing Forker Road). Ms. Schmidt stated that the Myra Road project in Walla Walla and the River Road project in Yakima are completed.

Mr. Brock Nelson asked if the Spokane Valley and Spokane County projects can be considered part of the Bridge of the Valley plan. Mr. Nelson stated that he has had some inquiries regarding this. Director Schmidt indicated these were not included.

The Director reviewed the UP account and the need to reauthorize past the expiration date for the account; the effects of project status on the account; and the interest earned on the account. Mr. Nelson stated that the intent of the UP dollars be spent on UP projects.

DIRECTOR'S REPORT

Director Schmidt reported on the transitioning in the office; meeting by Ashley and Karen with Barb Ivanov on FMSIB's recommendations for the State Freight Plan; and a meeting with Board member Mr. Mark Knudsen on a clearer format for the budget.

NFAC – The Director discussed her recent trip to Washington, D.C. for an NFAC meeting. Director Schmidt discussed the timing of the meeting with activities on the Hill while back in D.C. The House took up the issue of the shortfall; using underground storage tank funds; and the idea of "smoothing" the pensions which means not funding.

NFAC 's 81 final recommendations were sent to Secretary Foxx at USDOT; are on the NFAC website; and have been released to Congress. Some of the recommendations are included in the President's Growth Act. The Tier 1 approach is good. Tier 2 calls for more funding to projects that include multiple states. This works on the East Coast, but not on the West Coast. The states of California, Texas, and Washington together made their case about Tier 2.

Senate Bill 2322 passed by the Senate in mid-May with a strong message from NFAC that funding should be targeted to projects. Director Schmidt will send the Board the email regarding this issue.

The Director discussed the press release from Senator Maria Cantwell which is included in the meeting books.

The three NFAC Committees they are focusing on are Planning, Workforce and Safety. The next NFAC meeting is scheduled for the fall. The role of NFAC is working with the House and Senate staff and members to answer questions and explain the importance of freight.

Deputy Probart added that he and Director Schmidt worked with Senator Cantwell's staff person, Mr. Carl Seip, on what works from FMSIB model in putting together a national program. In developing the program need to be sure the threshold includes FMSIB type projects and this is not developed for mega projects. Deputy Probart indicated Mr. Seip will be resuming work on the criteria development for the national program in mid to late August.

Director Schmidt discussed the meeting with USDOT while the FMSIB delegation was in Washington, D.C. USDOT discussed that there is so much more interest in freight in Congress so it should be easier to get freight included in the authorization bill.

DEPUTY DIRECTOR REPORT

Mr. Ashley Probart reported on a committee established by Association of Washington Cities on project coordination between the cities, FMSIB and PSRC to work on consistent information as it relates to projects. The Deputy said it could impact FMSIB criteria in the future. Mr. Terry Finn asked if there are any cities that have put in projects and have a better system at determining a freight project. Deputy Probart explained he has not heard from any cities that don't like the FMSIB criteria. Mr. Brian Ziegler explained that more projects are being developed on the "land use" issue; and if the first and last mile were included in the FMSIB criteria, it would address the "land use" issue.

BOARD MEMBER UPDATE

Mr. John Creighton represented FMSIB at the Strander Boulevard project ribbon cutting on June 24, 2014. The City of Tukwila spoke as well and discussed the next steps in the Strander Boulevard projects.

Mr. Pat Hulcey represented FMSIB at the South Park Bridge dedication on June 29, 2014. It was well attended by the community with approximately 5,000 people in attendance.

Ms. Robin Rettew is scheduled to represent FMSIB at the Yakima MLK dedication on July 23, 2014.

Mr. Tom Trulove reported on his participation on an ad hoc committee not primarily about freight, but is looking at integrating rail into the community.

Mr. Mark Knudsen reported on the Port of Vancouver, BC and their investment of $2.5M for infrastructure; development of a new facility at the Port; and the impact on Washington State. He stated new development will take four years to completion and indicated it will be a major competitive threat.

EXECUTIVE DIRECTOR POSITION

Chair Gatchet opened discussion on the Executive Director position due to the retirement of Karen Schmidt stating the Board would like Ashley Probart to assume the Executive Director position. Mr. Finn explained this was a condition and context in hiring Ashley Probart as the Deputy Director. Mr. Finn explained the process with salary and classification for the position and the unanimous voice of the Board both for Ashley Probart as the new Executive Director and Karen Schmidt's dedication and efforts in building the reputation of FMSIB.

Mr. Finn moved that the FMSIB Board, consistent with its discussion in executive session, approve the promotion of Deputy Director Ashley Probart to the position of Executive Director of the Freight Mobility Strategic Investment Board at a salary of $111,000 effective August 1, 2014.

Mr. Knudsen and Mr. Finn commented on the retiring Executive Director Karen Schmidt and the incoming Executive Director Ashley Probart. Mr. Finn indicated there are still some issues moving forward and will need ongoing discussions on how the Board proceeds. Chair Gatchet commented about the benefits of working with someone prior to elevating them to the position.
MOTION CARRIED

LEGISLATIVE REQUEST

Mr. Larry Paulson stated that FMSIB has the following issues: (1) make sure the budget completely funds the 3rd FTE and the amount; (2) continue following the proposal from last session for additional funds from truck fees; (3) the FMSIB relocation and budget to cover this issue; and (4) MAP21 and NFAC-FMSIB responsibility and funding to participate. Day on the Hill is very important to keep the legislators educated on FMSIB.

Mr. Paulson announced that today's meeting is his last as a Board member and Geir-Eilif Kalhagen is his replacement.

Mr. Paulson moved the Board approve the following 2015 legislative agenda which is divided into four parts, as follows:

1. That the 2015-2017 biennial budget for FMSIB fully fund the previously authorized three Full Time Equivalent (FTEs) allotted to FMSIB.
2. That FMSIB seek to permanently codify $2,250,000 previously provided to FMSIB, but not permanently committed to FMSIB out of transportation related revenues;
3. That FMSIB seek to include sufficient funding in the coming biennium to cover all moving costs, increased rent and incidentals related to moving the FMSIB office to a new location in the coming biennium; and

4. That FMSIB seek opportunities to increase finding for FMSIB projects through, but not limited to, any transportation related revenue increases and especially in the event of an increase in truck weight fees.

Mr. Ziegler suggested the Board choose Option B for the operating budget.

Mr. Ziegler seconded the motion with the added notation to use Option B for the operating budget.
MOTION CARRIED with Board member Robin Rettew abstaining.

DEFINITIONS

Mr. Ziegler explained the background on the definitions of terms used by FMSIB and previous discussions at Board meetings and the workshop. Definitions for Accelerating a Project, Active Project List, Appropriation, Delayed Project, Purpose of the Deferred List, Deferred Project, Reactivation from the Deferred List, Project Approval, and Project Funding Allocation were reviewed by the Board. Mr. Ziegler said these definitions would not be included in the WACs or the RCWs, but would be included in the FMSIB Bylaws. Mr. Ziegler moved that the definitions under Tab 5 in the meeting book be incorporated into the FMSIB Bylaws.
MOTION CARRIED

PROJECT SELECTION

Mr. Zeigler reviewed the 2014 Call for Projects with seven project applications received: two projects were eliminated; one project did not score high enough; two projects were accepted by the Board at the May 30 Board meeting; and, today, we are considering the last two, Everett and Des Moines. The Everett application indicated a $2M FMSIB contribution and the Des Moines project list $1M FMSIB contribution. The Committee calculated $892,000 for the freight component on the Des Moines project; and $500,000 maximum for cost of mainline switches on the Everett project.

Mr. Ziegler moved and Mr. Knudsen seconded that the Board approve the Des Moines project with an $892,000 FMSIB contribution. Mr. Creighton abstained from voting. Ms. Call and Mr. Gatchet voted nay.
MOTION CARRIED

Mr. Zeigler explained the Everett project. The issues in reviewing the project were: is there an impact to switching; is there an impact to the mainline; and what benefit is there to the Port.

Mr. Finn discussed the rail structure around the port and city of Everett. The mainline impact on BNSF, but the project application didn't discuss that the switching area is used by Port of Everett for storage instead of staging for BNSF.

Deputy Director Probart has contacted the project managers for both of these projects.

Mr. Zeigler moved and Ms. Call seconded the motion that the Board does not approve the Port of Everett project. Mr. Terry Finn abstained from voting.
MOTION CARRIED

BOARD MEMBER RECOGNITION

Chair Gatchet recognized the contributions of Mr. Paulson as a FMSIB Board member since his appointment in 2009. Mr. Paulson commented on his years on the Board and the accomplishments of the Board in area of freight. Mr. Knudsen and Mr. Finn added comments on serving on FMSIB with Mr. Paulson.

2015 MEETING SCHEDULE

Chair Gatchet discussed the following dates for the Board meetings in 2015: January 22 for the Day on the Hill; January 23 in Olympia; March 20 in Tacoma; May 29 in Marysville; July 16 and 17 Workshop and Board meeting in Suquamish; September 19 in Yakima; and November 21 in Everett.

Ms. Robin Rettew moved and Mr. Creighton seconded the Board adopt the 2015 yearly schedule.
MOTION CARRIED

FMSIB SUBCOMMITTEES

Deputy Probart reviewed the changes to the subcommittees as follows:

Project Selection – remove Tom Trulove, retain other current members, add Geir-Eilif Kalhagen, Sheri Call and Brock Nelson
Outreach – dissolve this subcommittee
Legislative – add Tom Trulove as Chair replacing Larry Paulson
Administrative – Terry Finn as Chair, Dan Gatchet remains, add Robin Rettew and Sheri Call, remove Larry Paulson

Mr. Creighton moved and Mr. Ziegler seconded the Board adopt the changes to the FMSIB Subcommittees.
MOTION CARRIED

FUTURE MEETINGS

Chair Gatchet asked for a motion for the next meeting scheduled for September 19, 2014, in Yakima, WA.

Mr. Tom Trulove moved and Mr. Hulcey seconded the motion that the next FMSIB meeting be held in Yakima, WA on September 19, 2014.

MOTION CARRIED

RETIREMENT RECOGNITION

Chair Gatchet and Board members recognized Karen Schmidt on her retirement from FMSIB, her contributions to the development of FMSIB, and the first and only Executive Director of FMSIB.

Chair Gatchet adjourned the meeting at 12:50 p.m.

MEETING ADJOURNED

Dan Gatchet
Chair

Attest: Ashley Probart
Executive Director