

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
MEETING MINUTES

November 21, 2014
Everett, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. John Creighton; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. Geir-Eilif Kalhagen; Mr. Michael Karnofski; Mr. Mark Knudsen; and Mr. Tom Trulove. Mr. Brian Ziegler participated via conference call.

WELCOME: Chair Dan Gatchet opened the meeting with introductions.

MINUTES: Mr. Knudson noted a correction on September 19, 2014, minutes under Project Actions stating Port of Longview requests should be changed to Port of Vancouver. *Mr. Tom Trulove moved and Mr. John Hellman seconded the motion to adopt the September 19, 2014, minutes with the correction.*

MOTION CARRIED

DIRECTOR'S REPORT

Executive Director Ashley Probart attended and participated as a moderator for a group session at the Washington Council for International Trade (WCIT) Annual Trade Conference. Several key leaders from our congressional delegation were also in attendance.

Executive Director Probart attended a TIGER Grant ribbon cutting at the Port of Seattle in which Mr. Creighton was a keynote speaker.

Executive Director Probart represented FMSIB at the Port of Longview/SR42 walk through and presentation of their infrastructure needs. He also plans to attend the Ports Association Annual Meeting in December.

Executive Director Probart has also been reaching out to various legislators to introduce himself as the new FMSIB director.

Budget Development: Executive Director Probart gave an overview of the \$9M capital budget discrepancy OFM discovered in the recent FMSIB budget request. Executive Director Probart was able to track the error due to a cut & paste mistake made by WSDOT in October 2013 that has been perpetuated ever since. Due to two deferred projects and positive cash flow, the FMSIB budget is now in the positive. It will be some time, however, before Executive Director Probart will recommend a Call for Projects. In order to avoid a recurrence of this type of error, Executive Director Probart will now input the numbers himself and have WSDOT validate those numbers. Historically, FMSIB has accepted the numbers entered by WSDOT without a double-checking system in place.

FMSIB BUDGET

Operating Budget:

The operating budget is tracking as anticipated and is below the biennium allocation of \$904K. It is projected to be at \$878-880K in eight months. The Attorney General expense is the only variable that is difficult to anticipate. Executive Director Probart has budgeted for potential annual leave buyout if an employee leaves. There is still not enough in the budget for a new deputy director. Executive Director Probart also noted he will likely recommend in the future prepaying the CAGTC membership for the next biennium if the budget stays in the black.

Executive Director Probart explained that UP RR Contribution was designed in 2001 to pay for certain projects. The interest earnings have been sitting in the bank but have not been formally authorized by the Legislature to spend. Executive Director Probart has adjusted the November balance to authorize the million dollars in interest be spent in the 2015-2017 budget on UP related projects.

Capital Budget:

Executive Director Probart has built into the budget the \$2.25M from the Highway Safety Account that was appropriated 2 years ago. These funds are subject to legislative approval.

ANNUAL REPORT UPDATE

State law requires FMSIB to periodically report to the House, Senate, and Governor's Office. Although the law does not specify how often, historically the Board has chosen to report annually. One of the new approaches of the 2014 Annual Report is to transition from a large report to a blend of a brochure and a report.

The Board reviewed and made the following recommendations for changes to the draft annual report.

- Page 7: Clarify the source of \$910K (Mr. Knudson); Number 15 missing "th" (Mr. Ziegler); Make "Each \$1 of FMSIB Leveraged..." the header (Mr. Hulcey)
- Introduction Letter: Should this be from the Chair or Executive Director? (Mr. Zeigler); Since there is a transition in leadership, the letter establishes Mr. Probart as new director and then next year the letter should come from the chair (Mr. Gatchet and Mr. Trulove)
- Insert statement that FMSIB balances projects between Eastern & Western Washington (Mr. Knudson and Mr. Gatchet)

Mr. Gatchet entered a motion to accept the FMSIB 2014 Annual Report draft with allowing the Executive Director authority to make corrections. Mr. Kalhagen moved and Mr. Hellman seconded the motion.

MOTION CARRIED

LEGISLATIVE UPDATE-RAIL CAUCUS

Representative Luis Moscoso (Co-Chair for Rail Caucus) discussed transportation and rail issues with the Board.

BOARD MEMBER REPORTS

Mr. Tom Trulove noted the FMSIB Day on the Hill is scheduled for January 22, 2015, and encouraged Board members to participate.

Since Mr. Kalhagen has joined FMSIB, he is now a member of the American Association of Port Authorities. Mr. Kalhagen was asked to be a moderator for strategic funding of infrastructure at the AAPA meeting. He also had the opportunity to speak to Vice President Biden and felt the Vice President was cognizant of what is going on in the state of Washington.

Mr. Karnofski noted how the investments this Board makes has paid off as seen in the Port of Kalama's use of the bridge FMSIB co-funded. Mr. Karnofski also informed the Board that he serves on the CERB Board, and CERB has additional monies available for projects. Executive Director

Probart suggested that Mr. Karnofski give the Board a brief overview of CERB at the January Board meeting.

Mr. Hellman shared that BNSF's 2015 capital infrastructure expenditure is anticipated to be \$6B to pay for additional capacity and velocity. Mr. Gatchet suggested Mr. Hellman give an update on BNSF numbers every January board meeting.

Mr. Creighton and Commissioner Marzano gave an overview of the recent Seaport Alliance between the Port of Seattle and the Port of Tacoma for their marine industrial terminals to help the ports to stay competitive globally. By forming this alliance, they will now be the third largest seaport in North America.

PROJECT UPDATE

Executive Director Probart gave the 2014 fall project update and made the following recommendations:

*Move the following projects to the **completed** list:*

- Yakima Grade Separation (#36)
- Vancouver Port Rail Access (#66)
- South Park Bridge Replacement (#78)

Defer the following projects:

- S. 212th Street – UP Separation (#59B)
- 116th NE Interchange Project (#83)

Delay the following Projects from the 2013-15 biennium to the 2015-17 biennium:

- Duwamish Truck Mobility Improvement (#51)
- SR 99 Puyallup River Bridge (#72)

All other active projects have had previous Board actions and will continue to be monitored. Executive Director Probart suggested Hogum Bay Project (#68) give a presentation at the January or March board meeting.

Mr. Gatchet entered a motion to accept staff recommendations for completed, deferred, and delayed projects. Mr. Kalhagen moved and Mr. Hulcey seconded the motion.

MOTION CARRIED

PORT OF EVERETT PROJECT UPDATE/TOUR

Les Reardanz gave a PowerPoint presentation and a tour of the Port of Everett.

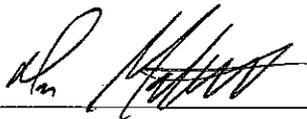
FUTURE MEETINGS

Chair Gatchet entered a motion to have the next board meeting on January 23, 2015, in Olympia, WA. Mr. Trulove moved and Mr. Hulcey seconded the motion to have meeting in Olympia, WA on January 23, 2015.

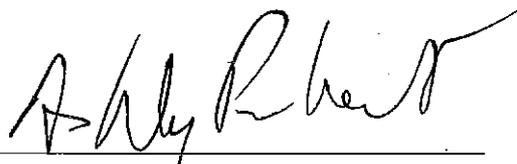
MOTION CARRIED

Chair Gatchet adjourned the meeting at 1:30 p.m.

MEETING ADJOURNED



Dan Gatchet
Chair



Attest: Ashley Probart
Executive Director