

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
MEETING MINUTES

March 20, 2015
Tacoma, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. John Creighton; Mr. Johan Hellman; Mr. Mark Knudsen; Mr. Pat Hulcey; Mr. Brian Ziegler; Ms. Robin Rettew; Mr. Tom Trulove; and Mr Geir-Eilif Kalhagen, by conference call.

WELCOME: Chair Dan Gatchet opened the meeting with introductions.

MINUTES: Chair Dan Gatchet made a motion to adopt the January 23, 2015, minutes as presented. Mr. Hulcey so moved to adopt the minutes, and Mr. Trulove seconded the motion.

Mr. Zeigler made an amendment to change the wording in the 2013-15 Operating Budget from “negative balance” to “accelerated expenditure rate.” Negative balance is misleading since FMISB will have a positive balance at the end of the biennium. Mr. Knudsen recommended the budget reporting to include projected biennia result. Chair Gatchet determined that the wording will remain as is for now, but recommended changes need to be applied to next budget report in May. Also noted was spelling correction- “amended” on page 2.

MOTION CARRIED

DIRECTOR’S REPORT

Projects-Highlights:

- **Port of Seattle-Argo Yard Truck Roadway Project-** Although some work is already underway, the contract language specific to FMSIB components is pending Port of Seattle/Union Pacific signature. Ground breaking is expected mid-June.
- **Port of Vancouver-Bulk Facility Track Location** had favorable bids for its first phase of this project. As a result, it will have lower than expected expenditures for this biennium.

Website:

Since FMSIB’s website is now the sole source of project information, Executive Director Probart has met with the Transportation Improvement Board director regarding their website project reporting. He has also begun preliminary discussions with OFM staff on how to better present FMSIB project data.

Legislator Outreach:

Executive Director Probart met with the following legislators: Representative Fey to discuss FMSIB request for a third FTE; Representative Gregerson to discuss strategies to procure \$2.5M for completing a bridge that is tied to FMSIB’s 28th/24th Avenue South Connector; and Representative

Muscoso twice as staff support for the Association of Washington Cities (AWC) and the Washington Public Ports Association (WPPA). The WPPA is seeking matching funds to update their Marine Cargo Forecast, and AWC is pursuing an at-grade crossing study.

Partner Outreach/Special Events:

Executive Director Probart met with the following: Councilmember Dan Olson, City of Union Gap, to discuss future candidate projects near Valley Mall Boulevard; Lochner consultants Aaron Butters and Steve Lewis to discuss a future FMSIB project in Cashmere; and Lobbyist Al Aldrich to discuss the Senate Transportation proposal: Marysville's listed projects are inconsistent with FMSIB grant funding. Executive Director Probart reviewed and provided preliminary comments on the PCC Rail System Strategic Plan.

Office Relocation:

FMSIB staff continues to work with the Department of Enterprise Services, Transportation Improvement Board, and OFM to approve the new office design and to develop a punch list of what is required as part of the relocation (i.e. computer wiring, phone jacks, wall locations, etc.). Remodeling on the new location is anticipated to begin in April, with a probable relocation in May.

FMSIB BUDGET

Operating Budget:

2013-2015: The FMSIB Operating Budget remains in-step with budget projections. FMSIB will finish the biennium with a positive balance. WSDOT Accounting informed FMSIB that there was a system error with Old Age, Survivor and Disability Insurance accruals; they had not been accrued the first 20 months of the biennium. This resulted in a one-time salary adjustment of \$25,160. FMSIB internal operating budget has been adjusted \$1,250 per month to include this increase in salaries.

2015-2017: During FMSIB's "Day on the Hill," Board members relayed that Representative Jake Fey had questions about our request for a third FTE. Executive Director Probart followed up with Representative Jake Fey, as well as House and Senate committee staff.

Capital Budget:

- FMSIB's planned expenditures for the remainder of the biennium has been finalized and submitted to House and Senate Committee staff. This information, combined with our statutory distribution and Highway Safety Fund allocation, results in our appropriation for the 2015-17 biennium. Although our capital funding has been verified, substantial time was spent reconciling the multimodal account. Because this specific account also includes the Union Pacific funding, analysis revealed FMSIB/WSDOT, the State Treasurer's office, and OFM categorize and authorize these funds differently. This effort confirmed Union Pacific funds are available for appropriation.
- Senate Majority passed a transportation package which included increasing FMSIB biennial appropriation from 12M to 27M. If this funding becomes the new law budget, FMSIB will be

able to have a new call for projects this fall. The Board would also have the flexibility to target or increase its grant award sizes.

- At the January meeting, Executive Director Probart presented all of FMSIB's completed projects in a geocoded format to determine if they were consistent with WSDOT's identified economic corridors. During the month of February, he completed geocoding all of FMSIB's active projects. These will be mapped and presented at the May Board meeting.

HOGUM BAY ROAD PROJECT UPDATE

In 2007 the project was awarded \$2.8 M for Phase I and \$1.2M for Phase II; however, it was deferred due to lack of progress. In January 2015, the City of Lacey requested project reactivation for Phase II (\$7.2M) at which time the Board directed FMSIB staff to verify Phase II is consistent with the original proposal. Upon further discussions with the City of Lacey, Executive Director Probart made the following recommendations to the Board:

- Reactivate Hogum Bay Road Phase II
- Provide an award letter this is contingent upon Legislature funding 2015-17 FMSIB budget at \$25.7M request.
- Once transportation budget is enacted, project is considered approved.

Mr. Trulove made a motion to accept the above recommendations and Mr. Ziegler seconded with two amendments: (1) Phase II funds are to be used only on the freight elements of the corridor (not sidewalks, etc.) and (2) the City of Lacey continue to be committed to completing Phase I and provide regular updates to FMSIB on Phase I progress.

MOTION CARRIED

BOARD MEMBER REPORTS

Mr. Knudsen and Mr. Creighton provided a status update on the International Longshore and Warehouse Union (ILWU) and Pacific Maritime Association contract negotiations. Mr. Knudsen outlined the many points of disagreement during the months-long slowdown. A proposal has been negotiated, but has not been voted on as of the FMSIB Board meeting. Mr. Creighton shared that the new Seaport Alliance is hopeful that an agreement can be reached soon and that no more slowdowns will occur. The Seaport Alliance is very concerned about the potential for the permanent loss of market share and jobs lost as a result of the slowdown.

Mr. Kalhagen provided an update on the Port of Longview's Commissioners recent 3-0 decision to vote down a proposed Haven Energy \$300M propane export terminal. The Port of Longview continues to remain a very successful port without the new export terminal. However, the senate proposal to provide \$85M for SR 432 Longview Grade crossing becomes more vital. If the propane export terminal had advanced, it would have included \$12.5M in improved rail infrastructure.

Executive Director Probart, on behalf of Mr. Hellman, discussed Senate Bill 5057 which would require 3 and 4 man crews (currently 1 and 2 man crews) on Class 1 rail. A concern of BN (and UP) is that this would be the only state to have this requirement. As a result, this could require

trains to change their configuration upon entering Washington State. This would be similar to triple trailer trucks downsizing to double trailers when entering Washington.

GUEST PRESENTATIONS

Lieutenant Colonel Andy McQuade gave a presentation on the transportation challenges and solutions unique to the footprint of Joint Base Lewis-McChord and the impacts on I-5. The City of Tacoma and the Port of Tacoma gave project updates on Port of Tacoma Road and Puyallup River Bridge. The City of Fife gave an update on their projects.

CAGTC

The Coalition for Americas Gateways and Trade Corridors (CAGTC) provides a variety of information on freight issues. Our membership cost is \$3250 per year and is due for renewal. There was discussion on the pros and cons of the membership. It was determined to postpone further discussion and action until the May meeting when more members are available to vote.

WASHINGTON, D.C., TRIP

The Board members discussed if there is a need for a Washington, DC trip to meet with congressional members this year. In lieu of the DC trip this year, Executive Director Probart proposed that he meet with all 10 state congressional offices here in Washington State to discuss FMSIB's mission and goals. There was Board consensus with the proposal and suggested a 2016 DC trip be addressed at the July Board meeting.

FUTURE MEETINGS

Chair Gatchet entered a motion to have the next board meeting on May 29, 2015 in Marysville, WA. Mr. Creighton so moved and Mr. Hulcey seconded the motion to meet in Marysville, WA on May 29, 2015.

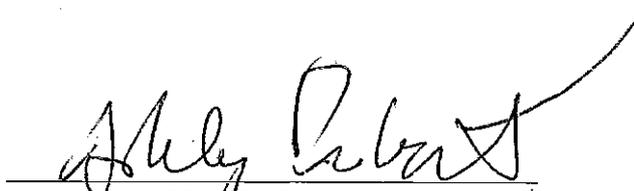
MOTION CARRIED

Chair Gatchet adjourned the meeting at 1:15 p.m.

MEETING ADJOURNED



Dan Gatchet
Chair



Attest: Ashley Probart
Executive Director