

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
MEETING MINUTES

July 24, 2015
Suquamish, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. John Creighton; Ms. Sheri Call; Mr. Mark Knudsen; Mr. Pat Hulcey; Mr. Brian Ziegler; Mr. Johan Hellman; Mr. Mike Karnofski; Mr. Tom Trulove; Mr. Geir-Eilif Kalhagen; and Mr. Erik Hansen.

WELCOME: Chair Dan Gatchet opened the meeting with introductions.

MINUTES: *Chair Gatchet made a motion to adopt the May 29, 2015, minutes as presented. Mr. Creighton moved and Mr. Trulove seconded the motion to approve the May 29, 2015 minutes.*
MOTION CARRIED

DIRECTOR'S REPORT

FMSIB Budget:

Operating:

2013-2015: Final billings for the 2013-15 Operating Budget will not occur until after the FMSIB July Board meeting. The FMSIB Operating Budget will close out within budget projections. The anticipated final balance is \$872,000 of our original \$901,500 budget.

2015-2017: The House and Senate did not include funding for a third FTE. Both operating budgets reduced FMSIB's proposed operating budget by \$200,000. The new operating budget is:

Base budget:	\$979,000
Adjustments for COLA related items:	<u>\$ 25,000</u>
Subtotal:	\$1,004,000
Less Marine Cargo Forecast:	<u>\$ 250,000</u>
Total:	\$754,000

Capital Projects:

2013-2015: FMSIB's ending fund balance for the biennium will closely match planned expenditures. Director Probart is anticipating approximately \$150,000 to \$600,000 that will need to be re-appropriated during the 2016 Supplemental Budget.

2015-2017: FMSIB's Capital Budget will have three revenue layers for 2015-2017:

Base Budget:	\$12,000,000
Highway Safety Account (one-time):	\$ 2,250,000
New revenue:	<u>\$ 3,844,000</u>
Total:	\$18,094,000

Over the following seven biennia, FMSIB will receive an additional \$17M/biennium.

Projects-Highlights/Updates:

Director Probart has been on site visits to the following projects or project sponsors:

- City of Tukwila: Strander Boulevard
- Port of Seattle: Marginal Way/Argo Yard

Burlington Northern Santa Fe:

In mid-June, Director Probart went to the Burlington Northern Santa Fe headquarters in Fort Worth, Texas. Board member Johan Hellman organized and participated in visits with:

- Andrew Johnson, Director of Public Affairs,
- Aaron Hegemon, Director of Public-Private Partnerships; and
- Juan Acosta, Assistant Vice President of State Government Affairs.

The purpose of the visit was in part relationship building and in part to discuss the newly state funded Marine Cargo Forecast and Joint Transportation Committee Road-Rail Crossing Study. NOTE: Director Probart paid for the trip using personal funds.

Congressional:

Senator Cantwell's Office has asked Director Probart to review one of her freight proposals and a transportation proposal by Senator Thune. An *emerging theme* for freight eligible projects is that they must be on a state highway or on a recognized national freight network segment. FMSIB has raised a concern with both Senator Cantwell's office and CAGTC that many, if not most of Washington's freight chokepoints are on city streets or county roads.

Annual Report:

Kjris Lund and Director Probart have conference called and begun the 2016 process for the Annual Report. A request for conference call times has been submitted to individual Board members.

Studies:

- **Marine Cargo Forecast:** This is a \$250,000 study that occurs every five years. FMSIB and the Washington Public Ports Association are jointly finalizing a Local Agency Participating Agreement and a scope of work.
- **Road-Rail Study:** This is a \$250,000 study to identify prominent road-rail conflicts and recommend a corridor-based prioritization process for addressing the impacts of projected increases in rail traffic. Director Probart has had a preliminary meeting with Joint Transportation Committee Staff and Association of Washington Cities (AWC). AWC is on task to put together an outline in order to shape the scope of work. Mr. Ziegler proposed that the study not be limited to incorporated areas since growth areas have just as much congestion and there are regional rural connector areas that connect urban areas that should be included.
- **Office Relocation:**

Our office relocation began on June 2, 2015. It took approximately two weeks to be fully operational.

STAFF COLA SALARY APPROVAL

The Legislature approved a 3% COLA increase effective July 1st with an additional 1.8% the following year. Director Probart explained that the Board has to take action to approve the COLA for himself, Donna Veley, and Marsha Gehring but not for Gena Saelid as she is under a different job classification that automatically receives the increase. Mr. Hansen stated that the Legislature and Governor's Office have already put the funds in the operating budget.

Mr. Gatchet entered a motion to approve the 3% COLA salary increase for Mr. Ashley Probart, Ms. Donna Veley and Ms. Marsha Gehring. Mr. Karnofski moved and Mr. Johan Hellman seconded.
MOTION CARRIED

PROJECT REPORTING/WEBSITE OVERVIEW

Director Probart gave a demonstration of the new online quarterly report system that FMSIB is in the process of developing. The new reporting system should be operational for the next quarterly reporting period in September.

BOARD MEMBER REPORTS

Chair Gatchet attended the East Marginal Way project dedication in June. FMSIB committed over \$11M to both East Marginal Way and to ARGO ramp.

Mr. Hansen gave an overview/handout of the 2015-17 Transportation Budget, including new law expenditures and balance sheet by agency. Mr. Hansen noted that FMSIB's \$123M is not codified.

Mr. Karnofski and Mr. Kallhagen discussed the \$85M received for Longview's Industrial Way Interchange Project (SR 432/433 Intersection). The bulk of the money will become available in the 2021-23 Biennium.

Mr. Ziegler pointed out that several of the projects in the transportation package are also FMSIB projects, such as, 167 Extension through Fife and Tacoma and the 509 project. The package is very freight friendly.

Mr. Knudsen gave an update that Prince Rupert continues to make progress in the expansion of their container terminal from a one berth to a two berth port.

Mr. Hulcey shared that Port of Tacoma Interchange Project has now received all of the funding. He gave an official happy dance as part of his update.

Mr. Creighton gave an update on the Seaport Alliance. In June, the Port of Seattle and Port of Tacoma commissions met in a joint session and approved going forward with the Seaport Alliance. On July 23, The Seaport Alliance was approved by the Federal Maritime Commission. The Seaport Alliance continues to make progress.

Director Probart and TIB have been working with City of Fife on their project with a recommendation to possibly merge Phase 1 and 2 because of mobilization and cost savings. The money FMSIB has in place for Phase 2 would then be needed about one year sooner. Director Probart will continue to work with the City of Fife.

Director Probart was invited to meet with Governor Inslee and two of his staff. City, county, and port associations and the wheat growers were also in attendance. Governor Inslee is weighing how to best advance the transportation package and promote his environmental agenda. The transportation legislation included a proviso if he were to pursue low carbon fuel standard of any kind, it would freeze the multimodal money until the next biennial appropriation.

BNSF UPDATE

Mr. Hellman gave a PowerPoint presentation of BNSF history, capacity, safety, and environmental commitment.

2016 LEGISLATIVE RECOMMENDATIONS

Mr. Trulove proposed the following 2016 Legislative recommendations:

- FMSIB should continue our Day on the Hill with a goal of meeting with 25 Legislators.
- Seek permanent FMSIB funding from the new transportation package.
- FMSIB's WAC should be updated to include a change of address.
- The Board should seek legislative authority to remove a project from the deferred list.
- FMSIB should make a 2016 DC trip to meet with congressional constituents after the 60-day session. Opportunities to take advantage of other freight events in WA DC, such as CAGTC's annual meeting or other Board member trips, should be coordinated.
- Director Probart shall continue to meet with local congressional staff.

Chair Gatchet entered a motion to accept the 2016 legislative recommendations. Mr. Kalhagen moved and Mr. Knudsen seconded.

MOTION CARRIED

2016 MEETING SCHEDULE

Chair Gatchet entered a motion to adopt the following 2016 FMSIB board meeting dates and locations:

January 14	Board Member Day on the Hill
January 15	Olympia
March 18	Fife
May 20	Longview
July 14	Workshop
July 15	Suquamish
September 16	Spokane
November 18	SeaTac

Mr. Kalhagen moved and Mr. Ziegler seconded to adopt the 2016 FMSIB board meeting schedule.

MOTION CARRIED

CALL FOR PROJECTS

Mr. Ziegler discussed the additional money FMSIB will receive over the next four bienniums (\$46-\$56M) that will be available to open new projects. Mr. Ziegler proposed that the Board authorize a 2016 Call for Projects to begin in February. Applications will be due in March, and new projects adopted in May. FMSIB staff should begin contacting potential project sponsors now so they can be ready to submit their project proposals in March.

Mr. Ziegler moved to authorize a FMSIB 2016 Call for Projects according to the above schedule. Mr. Knudsen seconded.

MOTION CARRIED

Director Probart requested clarification if the 2016 Call for Projects should include details of the monies available. Mr. Ziegler indicated that the Call for Projects should be broad but should identify the new revenue money that FMSIB has been allocated. It is FMSIB's intent to fund the highest priority projects.

Chair Gatchet recommended that an overview of the call for projects outreach process be included in the September 18th meeting agenda.

PROJECT UPDATE

Director Probart reviewed the following project information:

- Completed Project-East Marginal Way Truck Access Phase 2
 - o East Marginal Way Truck Access Phase 2 has been completed and the ribbon cutting occurred in June. Board action is required to move the project to FMSIB's Completed Project list.

Chair Gatchet entered a motion to move the Marginal Way Truck Access Phase 2 to the FMSIB Completed Project list. Mr. Kalhagen moved and Mr. Trulove seconded.

MOTION CARRIED

- Project Update-Colville
 - o City of Colville's parcel was not needed as a part of the right-of-way acquisition, and it recently sold with a net value of \$274,620.70. FMSIB share is \$93,371 and as part of our supplemental reappropriation process it will go back in our bottom line for future projects.
- Monitor-Active Projects
 - o Director Probart gave an overview of all other active projects to be monitored. The new transportation package has fully funded several FMSIB projects that were waiting on partnership funds. Please see PowerPoint Summer Project Status Update July 24, 2015, for further details.

NEXT MEETING

Chair Gatchet entered a motion to hold the next meeting in Spokane on September 18, 2015. Mr. Ziegler moved and Mr. Hulcey seconded.

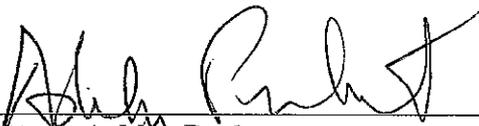
MOTION CARRIED

Per Chair Gatchet's request, Mr. Ziegler agreed to Chair the September 18, 2015 meeting in Spokane.

MEETING ADJOURNED

for


Dan Gatchet
Chair



Attest: Ashley Probart
Executive Director