



BENTON-FRANKLIN COUNCIL OF GOVERNMENTS

MINUTES

August 16, 2019 - 10:00 a.m. Meeting
Ben Franklin Transit Board Room
1000 Columbia Park Trail, Richland

1. Call to Order: Meeting was called to order at 10:00 a.m. by Board President Novakovich.
2. Roll Call: Tony Kalmbach completed roll call, by jurisdiction.

BFCG Board Members in Attendance	
Organization	Representative
Port of Kennewick	Skip Novakovich - President
Franklin County	Brad Peck - Vice President
Ben Franklin Transit	Bob Koch
Benton City	Linda Lehman
Connell	Lee Barrow
Kennewick	Chuck Torelli
Pasco	Ruben Alvarado (alternate to Blanche Barajas)
Port of Benton	Bob Larson
Port of Pasco	Vicki Gordon - Secretary
Prosser	Mary Ruth Edwards
Richland	Phil Lemley (alternate to Brad Anderson)
West Richland	Ken Stoker
Economic Development District (EDD) Private Sector Members in Attendance	
Organization	Representative
Prosser EDA	Deb Heintz
TRIDEC	David Chavey-Reynaud (alternate to Carl Adrian)
Visit Tri-Cities	Kim Shugart (alternate to Michael Novakovich)
Worksource Tri-Cities	Tiffany Scott
A S Klein Engineering, PLLC	Andrew Klein

BFCG Staff Present:

Stephanie Seamans, Executive Director
 Patrick Pittenger, Transportation Programs Manager
 Tony Kalmbach, Transportation Planning Specialist II
 Tanner Martin, Transportation Planning Specialist II
 Geoff Wagner, Transportation Planning Specialist II
 Rick Peenstra, Contract Loan Officer

Tony Kalmbach indicated a quorum present for BFCG and the EDD.

3. **Guests:**
Steve Worley, City of Pasco
Robin Priddy, Benton Clean Air Agency
4. **Public Comment:** None
5. **Approval of Agenda:** A MOTION was made by Phil Lemley to approve the BFCG Board Agenda and SECONDED by Chuck Torelli. The motion passed unanimously.
6. **Approval of Minutes:** A MOTION was made by Bob Koch to approve the minutes from the regular meeting held June 21, 2019, and SECONDED by Bob Larson. The motion passed unanimously.
7. **Presentation:** None
8. **Consent Agenda:**
 - A. Voucher Summary June 21, 2019 to August 16, 2019 in the amount of \$162,735.23. A MOTION was made by Brad Peck to approve Consent Agenda and SECONDED by Vicky Gordon. The motion passed unanimously.
9. **Recess BFCG**
10. **Convene Benton-Franklin Economic Development District (EDD)**
11. **Reports and Discussion Items:**
 - A. BFEDD Loan Trial Balance Report and B. BFEDD Activities
Stephanie Seamans spoke about the current portfolio of loans through July 21, 2019. One loan was paid off in June by Iso Pacific. The status of Dickey's BBQ Pit is still unknown. Rick Peenstra will be following up with them to get more information. In addition to the Loan Officer attending several meetings, there were seven inquiries in July and one loan needing action later in the agenda.
 - C. BFEDD Activity Report
Rick Peenstra reported that loan activities are good except for Dickey's BBQ. There is not much that can be done at this time until an anticipated notice of bankruptcy is actually received. The loan committee last week approved a new loan for a printing shop. The loan is not traditional because they don't have the 25% down payment, but the seller is selling the building for such a good price that BFCG still has a 73% loan to value in the building and this is a good loan for BFCG.
12. **Adjourn EDD**
13. **Reconvene BFCG**

14. Reports and Discussion Items:

A. BFCG Executive Director Report

Stephanie Seamans reported that staff are busy on multiple items. The Economic Development Administration's (EDA's) Comprehensive Economic Development Strategy (CEDS) plan is due, and is planned to be on the Board agenda for September. Stephanie Seamans discussed the session she attended called Prosperity at MyTri 2030. Staff are working to update financial processes, and begin working on the budget and other administrative deliverables.

Tiffany Scott asked if the Federal EDA position had been filled. Stephanie Seamans responded that the representative had retired last fall. The EDA may not be filling the position, but have staff filling in. Stephanie reminded the Board that the City of Pasco had just received notice of a \$3 million grant award for a food processing water treatment system improvements and the Port of Pasco received a \$7 million grant for storm water and infrastructure improvements in the area of their Big Pasco warehouses. The region has received quite a bit of money lately compared to previous years thanks to these awards. This is positive for the region and regional economic developers are talking to the EDA about other projects that might be eligible for funding.

Stephanie Seamans also mentioned that she had spoken to the Chancellor of WSU recently at an event regarding the Small Business Development Center and the Chancellor indicated WSU is working to fill the position of advisor.

B. Air Quality outreach and education campaign update

Tony Kalmbach gave a summary of the air quality outreach campaign Benton-Franklin Council of Governments (BFCG) has been administering over the past several months. The outreach has been placed on several media platforms in English and Spanish. The first portion of the campaign focused on awareness and the second portion will focus on prevention. Tony Kalmbach mentioned there had been a few days of bad ozone. The bad ozone days are forecast during the evening weather report on local news stations. The campaign ends on August 31, 2019. Information will be provided by the consultant showing how many people were reached by the different outreach methods.

C. Growth Management Act (GMA) process

Patrick Pittenger discussed the GMA process. As a Regional Transportation Planning Organization (RTPO), BFCG is responsible to certify all transportation sections of comprehensive plans for Benton and Franklin Counties. Staff will bring reviewed comprehensive plans to the Board for comments and approval. This is not a requirement, but a best practice that is being done by other RTPOs. Benton County is working on amending their plan. Once that is completed their plan will be coming to the Board for certification. All the jurisdictions in Franklin County are in the process of completing their plans. Staff is working with Pasco, Connell and other jurisdictions so they know about the certification expectations. Chuck Torelli asked what the expectation of the Board would be and what the Board would be responsible for. Patrick Pittenger responded that there is a transportation element checklist that the comprehensive plan is required to address. The

Board needs to know that the RTPO is doing what it is required to do under law and aware of things happening on a regional level. Next year will be the kick-off for the Metropolitan /Regional Transportation Plan (M/RTP) and all the comprehensive plans feed into the M/RTP.

D. Travel demand modeling services contract update

Patrick Pittenger updated the Board on the recent selection process of a travel demand consultant. Five qualified candidates applied for the contract. BFCG entered into a contract with Transpo Group. Transpo Group will be reviewing the model and making suggestions for improvements, supporting the Congestion Management Process (CMP) and assisting staff through the on-call portion of the contract. The agency has received over a dozen requests for data over the past six months from local jurisdictions and consultants. Staff held a kick-off meeting on August 7 with Transpo's project manager. Brad Peck asked the approximate date of the Transpo contract. Patrick responded the execution of the contract was the end of July and the contract will end June 30, 2020. Brad Peck asked how the contract was approved. Patrick Pittenger stated that in June, staff had requested that the Board authorize the Executive Committee to award a contract. Staff had presented information regarding the RFP and consultant selection process at that meeting. With Board approval, the Executive Committee authorized the Executive Director to enter into a contract with the highest ranked proposing consultant. Brad Peck recalled the process and wanted to ensure that Board members were aware of the process followed with respect to contract authority of the Executive Director and actions of the Board.

E. 2019 Highway Infrastructure Program (HIP) funds

Patrick Pittenger informed the Board about the changes to HIP funding. Last year the region received \$739,000 for projects in urban small, urban large, and rural areas. This year the region received \$799,000, but the funds will only be available for projects in the urban large area. Patrick Pittenger commented that staff will add the funds to the call for projects process and the funding can be used for construction of roads and bridges only. Brad Peck asked if the funding was 2018 or 2019 money. Patrick Pittenger confirmed that the funding is 2019 money and the funds are already available and need to obligate by September of 2022. Patrick Pittenger did clarify that the funding was only for the Metropolitan Planning Area (MPA). Brad Peck asked who determines that area. Patrick Pittenger stated that BFCG is responsible for determining the MPA boundaries. Brad Peck recommended that an adjustment of the line would allow for a more regional approach to distribution of funds. Patrick Pittenger stated that it is part of the work plan to consider the planning area boundary. He added other MPOs have adjusted their boundaries with positive results and that an MPA boundary change would require approval of the Governor.

F. 2019 Transportation Improvement Program (TIP) obligation status – WSDOT target

Patrick Pittenger spoke about the region's annual requirement to get projects funded. This year \$2.03 million was the target and the agency is only about \$120,000 from reaching the target. Patrick Pittenger noted that this year's target was relatively low because the funds obligated in 2018 exceeded the target by about \$3 million. BFCG is waiting to learn if a project will make the deadline this year so the regional target will be met. Next year there will be a target of about \$5 million that will need to be met. The need to program and

implement projects in a timely manner will be discussed in the future regarding the call for projects.

G. 2020 – 2025 TIP update

Patrick Pittenger notified the Board about the annual TIP process. The Draft 2020-2025 document is currently available on the BFCG website for review. Advertisements will be going out in the Tri-City Herald and Tu Decides newspapers. This will be the first year that every project will not be included in the document. In the past, all projects were included in the regional TIP even though only projects secured with state or federal funding or those deemed regionally significant need to be included in the regional TIP. Additional discussion took place about projects that should be included in the TIP. Patrick stated that the subject of regional significance would be discussed further with TAC and the issue would come back to the Board as part of the TIP policies and procedures document under development. The open house for the regional TIP will be on August 28, at the Pasco Public Library from 5:00 pm to 6:30 pm.

15. New Business:

A. Recommendation to approve 2019 – 2024 TIP amendments (BFCG AMD. 19-AUG)

Geoff informed the Board about the two TIP amendments from WSDOT that needed to be amended due to an increase in funding that exceeded the 30% threshold. Brad Peck asked for clarification about the projects. Geoff Wagner stated that anytime a jurisdiction adds additional funding that is more than 30% of the project, it triggers an amendment. Brad Peck proposed a scenario that if an agency went out to purchase right of way (ROW) and the cost of the ROW would increase the cost, would the agency wait until the project goes over or amend the project when the ROW is purchased during the planning phase. Geoff Wagner confirmed that the agency would amend the project immediately.

A MOTION was made by Chuck Torelli to approve 2019 – 2024 TIP amendments and SECONDED by Vicky Gordon. The motion passed unanimously.

B. Approval of New Loan Request for John and Barbara Helton DBA Alley Enterprises, Inc.

Rick Peenstra discussed this earlier in item 11C. John and Barbara Helton are purchasing the building where their print shop business is housed. They will be using part of the loan to make some improvements to the building. Brad Peck agreed that it was a great loan. Brad Peck wanted to know if the value was appraised or assessed. Rick Peenstra stated this value is the assessed value.

A discussion was held regarding the voting of BFCG members compared to Economic Development District private sector members. BFCG went into recess and the EDD was reconvened.

A MOTION was made by Kim Shugart to approve the loan request for John and Barbara Helton DBA Alley Enterprises, Inc. and SECONDED by Tiffany Scott. The motion passed unanimously.

C. Recommendation to approve Write-Off of \$10,325.28 of That Place Loan

Stephanie Seamans explained to the Board that BFCG received notice from the bankruptcy court that a portion of the loan would not be recovered. The \$75,000 loan went into default and equipment was repossessed and sold for approximately \$15,000. The loan has been paid down to around \$22,000. Due to the bankruptcy, the remaining portion needs to be written off as uncollectible from the BFCG Regional Revolving Loan Fund (RRLF) financial statements. The RRLF Committee met and approved making the recommendation to the Board to write-off the uncollectible portion.

A MOTION was made by Phil Lemley to approve the write-off of \$10,325.28 of That Place loan, SECONDED by Bob Larson. The motion passed unanimously.

D. Recommendation to Approve Adjustment to the Allowance for Doubtful Accounts

Stephanie Seamans stated that 2017 financial statement audit had one exit item suggestion. The loan allowance for doubtful accounts had not been adjusted for several years. The amount has been approximately \$70,000 for a number of years. Staff is proposing an adjustment that will make the balance more in line with the loan portfolio. The Loan Committee met and approved the recommendation to the Board to adjust the 12/31/18 balance to \$96,501.81. Brad Peck questioned the proposed amount of 10% of receivables for the doubtful category compared to the industry standard and asked if it was a concern. Rick Peenstra said that the number was conservative. He said that about 5% and sometimes lower is normal for bank financing, but the proposed amount was appropriate for this program.

A MOTION was made by Chuck Torelli to Adjust the Allowance for Doubtful Accounts and SECONDED by Ken Stoker. The motion passed unanimously.

EDD was adjourned and BFCG was reconvened.

16. Comments/Announcements for the good of both the BFCG/EDD

Reuben Alvarado updated the Board about upcoming improvements in the vicinity of Road 68 and I182. There are three projects moving forward. One will improve the signage and striping at the intersection of Road 68 and Burden Road. Another will widen Road 68 south of I182. The last one will extend Wrigley Drive east of Clement Lane.

Tiffany Scott discussed Work Source Columbia Basin and the gap in drop out youth. This last year in partnership with ESD123 they worked to set up TC Futures, a comprehensive youth center where youth can go to earn their GED's and gain work experience. Tiffany will forward the grand opening announcement to BFCG and hopes some board members can attend.

Patrick Pittenger mentioned next Thursday's WSDOT Practical Solutions roundtable session in Union Gap. Skip Novakovich will be attending and will be presenting about the Port of Kennewick's Vista Field Project. Patrick Pittenger also introduced Tanner Martin, Transportation Planning Specialist II, to the Board. Tanner started working for BFCG On July 1, 2019.

Stephanie Seamans stated she is going to the Association of Washington Cities (AWC) budget workshop next week for state and local governments. On August 27th Patrick Pittenger and Stephanie Seamans will be in Spokane for an MPO meeting.

Skip Novakovich updated the Board about the progress at Vista Field and said development is moving right along. He recommended that Board members go by the Vista Field Project to look at the progress. The Port of Kennewick is in the process of constructing a new building at the Wine Village as well.

17. Adjournment

Adjourned - 11:08 a.m.

Next Meeting: *Friday, September 20, 2019*
Location: *Ben Franklin Transit Board Room*
Meeting starts promptly at 10:00 a.m.

Approved at the September 20, 2019 meeting:



Nicholas (Skip) Novakovich, BFCG President