

Meeting of the Southern Rail Commission

March 2, 2018

Regional Planning Commission of Greater Birmingham
2 North 20th Street room 1200 (12th floor) Birmingham, AL 35203

MINUTES

ATTENDING: Greg White, John Spain, Larry Watts, Gerry Geyman, Kay Kell, Knox Ross, Jerome Wall, Wiley Blakenship, Claire Austin, Ashley Edwards, Roy Woodruff, Blake Wilson

By Phone: Toby Bennington

Others: John Robert Smith, Maggie Woodruff, Betsy Nelson, (NARP), Phil Jones, Rachel DiResto, Dan Dealy, Matt Hollman – Jackson MS, Janice Hamilton, Ruby Davis (RTA), Kim Marmalich, Earl Hilliard (with Mayor Woodfin's staff)

Call to Order: *Chairman John Spain called the meeting to order at 9:06am*

Recognition of Special Guests –

Earl Hilliard expressed greetings on behalf of Mayor Woodfin who was unable to attend. Mayor Woodfin cares about safety, mobility, economic development - and transportation that takes pressure off of existing infrastructure. He understands the importance of a multi – modal approach that helps citizens move in convenient, affordable ways. Mayor Woodfin believes in collaboration, and his door is open to work with the SRC.

REGULAR BUSINESS:

- I. Jerry Geyman moved to approve the minutes from the meeting of December 8, 2017, seconded by Wiley. Motion passes with no objections.

- II. Legislative Affairs Update –
 - a. John Robert Smith reported that the Presidents' budget proposes eliminating funding for long distance, passenger rail and provides no additional funding for Gulf Coast project.
 - b. Congress most likely will not support President's budget and in fact, the Senate appropriations committee may increase funding for CRISI and REG program. T4 anticipates that Amtrak budget will remain at present number and T4 will continue to work for language changes that will positively impact SRC work.
 - c. There is a new FRA administrator and a new Amtrak president – Richard Anderson. The SRC Exec hopes to travel to DC in May for a meeting. Anderson has expressed that his focus is NE corridor and support for state service, but he wants no new equipment for long distance routes. In recent testimony, he implied that PTC does not exist in MS, but it does exist on CSX line – and T4 has requested him to clean up this testimony.
 - d. There may be gaps in PTC on Gulf Coast line. For NO to Mobile PTC is installed, but may not be operative. CSX has not provided this information.

- e. NARP is putting a map together of where PTC exists – RR issue quarterly reports that are redacted, can we request non-redacted documents? Sen Wicker could request this. Also Fast Act passed language that allowed public access to inspection reports on bridges.

III. Financial and Administrative Report- Kim Marmalich

- a. The Audit is completed and Kim from ABL presented three deliverables including the financial statements, audit report and recommendations to management.
- b. Recommendations to Management include:
 - i. In anticipation of your receipt of the Federal Rail Administration Grant and Subgrant Awards, ensure that you have the internal controls and procedures in place to ensure grant compliance. We have outlined the compliance requirements in this letter.
 - ii. Review of monthly bank statements is the primary internal control procedure over the Commission's cash accounts. We are recommending that either the Board Chairman/Treasurer review them monthly as opposed to quarterly.
 - iii. Recommend that the Commission consider purchasing public officials' liability insurance to protect the Board.
- c. The financial statements provide a picture of the Commission's financial health as of 9/30/17. They are historical in nature and do not represent the Commission's current financial position. SRC received an unmodified opinion on its financial statements which is the highest level of assurance offered.
- d. Two-year comparison shows that cash position is up although the fund balance is down
- e. Year to date, overall expenditures are down
- f. Audit report on internal control had no findings
- g. Wiley moved to approve the 2017 Audit and Financials, seconded by Jerry Geyman. Motion passes with no objections.

IV. Communications and Media Update-*Rachel DiResto and Dan Dealy*

- a. Rachel reported that the first months of 2018 have been slower in the media than usual with not too much good news to highlight.
- b. CPEX assisted Knox and Kay Kell in generating a Call to Action to Mississippi residents to mail postcards and send letters to Governor Bryant in support of state investment in passenger rail.
- c. With the Alabama governor's race coming up, SRC might need a briefing book for candidates. It was suggested to have candidates express their support on record as part of campaign.
- d. Larry said he would like help with economic benefits statements for the local Chambers.
- e. There was discussion of American Planning Association's transportation impact assessment tool that measures ROI. Perhaps it could be used to determine downstream impact of rail project.
- f. T4 will be preparing an economic impact statement for Gulf Coast rail as part of CRISIS application

OLD BUSINESS:

- I. Report on Executive Committee activities - Spain, White, Ross
 - a. Momentum is slowing due to the transitions in leadership at Amtrak, FRA and the president's budget.
 - b. SRC Exec met with senior leadership - Steven Gardner- and it was evident that the focus of Amtrak is changing even though we don't know who is driving this change.
 - c. President of Amtrak seems to be dismantling the long-distance system and Mr. Moorman's commitment to Gulf Coast is not being honored by new leadership.
 - d. Amtrak is very encouraging of the Mobile to NOLA short distance state-supported service, and they think it will be successful.
 - e. However, Amtrak was established to run a long-distance network and to market it. SRC is trying to get personal meeting with Richard Anderson in May.
 - f. Due to this change in landscape, SRC has pivoted because we have deadlines coming for CRISI in June, and in the next 90 days we have work to do in 3 states to apply for these funds.
 - g. The NO to Mobile service still requires funding capital and operations and SRC will need to go back to each governor for support on CRISI application. This service requires some operating costs to be borne by state.
 - h. LA – has already made in-kind financial commitment at Gentilly Yard – can be used as match although operating funding is still unknown. Governor Edwards will submit a letter of support.
 - i. MS - working with partners in DC: Wicker and Cochran to continue to fund programs REG and CRISI
 - j. Appropriators won't put more money in programs if we don't use it
 - k. Recently LA governor invited MS governor to hunt and they talked about how MS & LA can work together on these rail projects.
 - l. FRA and Commerce Committee have indicated that SRC can receive these funds.
 - m. Each state has its own financial situation
 - n. T4 is creating a detailed business plan for each state that outlines obligation on capital/operations and identifies potential funding sources and mechanisms.

- II. REG funding – program for restored passenger rail service that was lost due to a federally declared disaster
 - a. Can fund 80% of operating support - gives you 3 years to build up fare box
 - b. NOFA – released Feb 21 by FRA, \$4.8 m available – due May 22
 - c. Commit to operating support for 2 following years after the first year
 - d. Can reapply year to year – flexible
 - e. Need \$6m for 3 states – private entities will see value of buying blocks of tickets for visitors, casino can give you tickets
 - f. Need to start securing commitments from entities across the coast – T4 has created list of targets

- III. Update on Station Grants –

- a. The scopes of work for the capital projects will all be signed by end of March – except for Anniston (end of April).
- b. Mobile station – finalizing RFQ to be released, includes a stub track
- c. Birmingham and Tuscaloosa – underway, at FRA for review
- d. MS - all projects are in good shape
- e. LA – consultant teams are underway

IV. CRISI program– created by Wicker, funded by Cochran’s office in FY2017

- a. Can be used to fund capital improvements – sidings, bridge repair
- b. Application released Feb 21 – due June 21
- c. Of total in program \$65.2 m - \$10 m is set aside for SRC
- d. SRC will apply for \$20m – and may apply for two years in a row
- e. States will have to come up with matching funds or in-kind
- f. Most of costs are in MS - \$20m to match – goal is 50/50 match to be competitive (20% is match required)
- g. AL - \$2m cash required to match \$2m – will give you all the infrastructure needed (or could put in another \$6m to get to Atmore)
- h. Need commitment by states by June
- i. T4 will work on application and conduct a financial impact analysis to demonstrate need.
- j. The funding to be identified is reimbursable, don’t need it all at once, but funding has to be specifically identified and costs may spread out over 4 years
- k. When grant is approved, which could take a year – MS could hire engineers to do CE and NEPA, and complete final design in stages, and send bill to FRA who sends half of cost back.
- l. Also there is an opportunity to purchase train sets from Talgo – 31 cars, will build a maintenance facility. MS could get new 300 jobs.
- m. SRC will make the application on behalf of the states. SRC will be the grant recipient unless MS determines they will be the lead applicant.
- n. Greg made a motion, seconded by Roy, to adopt a resolution authorizing SRC to apply for CRISI and REG grants contingent upon getting states commitment or local matching funds, and T4 will undertake the work to prepare the application. Motion passes.

V. Birmingham to Montgomery study update

- a. Robert Smith, Director of Planning for City of Montgomery stated that many years ago, AL received \$200k grant from FRA to conduct a corridor feasibility study for return of Gulf Breeze route.
- b. Phase One was completed studying from Birmingham to Montgomery - \$100k local match, \$100K from FRA
- c. Phase Two is still trying to get started. The initial consultant was HDR, but the cost of the study was reassessed and reassigned to AECOM with cost reduced to \$140k. ACDECA currently has contract under review
- d. SRC committed \$20K and ADECA has those funds in place.
- e. Claire will call on this to move along.
- f. When final study is completed, Robert will bring consultant to give SRC an overview.

- VI. Greg acknowledged and thanked those responsible for the work of securing the AL dues which are now reflected in the budget.
- VII. NARP report –
 - a. Betsy invited SRC members to the NARP April 17th meeting day on Hill.
 - b. Recent messaging has focused on safety – NARP board member killed in Washington train wreck.
 - c. Upcoming campaign – mayor’s push to reach out to congressional delegation.
 - d. Will develop the Our Town program which will get people on trains to conduct surveys.
- VIII. Update by Janice Hamilton – she commented on opportunities to generate radio/TV coverage– to message about how state highway congestion is increasing.
 - a. Rail safety month in September – the AL Public Safety Commission will award rail for initiatives done well - i.e. safety initiatives

NEW BUSINESS:

- I. SRC should consider succession planning – identify next generation of rail champions, enhance our visibility with younger folks.
- II. AL is underway with political campaigns and Lieutenant Governor candidate is heavily involved and supportive of rail.
- III. JRS reported that Smart Growth America will develop “First and Main” campaign for mayors in small towns, rural America to chime in about the Trump budget proposal. White house has said they care, but budget proposals gut small towns. SGA had 400 mayors on a call, and identified 34 policies for interest, will visit White house March 22-24.

SUMMARY AND SCHEDULE OF UPCOMING MEETINGS:

- I. June 8, 2018 Mississippi – Gulfport
- II. September 7, 2018 Louisiana
- III. December 7, 2018 Alabama

ADJOURNMENT – Motion by John, seconded by Greg to adjourn at 11:43am.