

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
APRIL 20, 2015**

BOARD MEMBERS PRESENT

Gary Smith	Lease Crutcher Lewis WA, LLC
Ken Day	Ness & Campbell Crane, Inc.
Mike Grace	Groff Murphy, PLLC
Jake Jacobson	Osborne Construction Company
Todd Kunzman	Andgar Corporation
Brent Levander	Centennial Contractors Enterprises
Annie Lombroia	Ashbaugh Beal
Paul Mayo	Flatiron Constructors, Inc.
Nancy Munro	MidMountain Contractors, Inc.
Jim Rowley	Howard S. Wright, a Balfour Beatty Co.
J. Schaufelberger	UW College of Built Environments
Glyn Slattery	Lydig Construction, Inc.
Gordon Spencer	Teknon Corporation
Mickey Traugutt	Washington Patriot Construction LLC
Sharon Young	Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds	Mountain States Const.Co
Mark Seaman	J.R. Abbott Construction Inc.
Joe Simmons	Joseph S. Simmons Construction, Inc.

STAFF/GUESTS PRESENT

David D'Hondt	AGC of Washington
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Richard Bristow	AGC of Washington
Greg Crisostomo	AGC of Washington
Jerry Dinndorf	AGC of Washington
Liz Evans	AGC of Washington
Randy Guzman	AGC of Washington
Paula Jackson	AGC of Washington
Dave Kearby	AGC of Washington
Mandi Kime	AGC of Washington
Diane Kocer	AGC Education Foundation
Andrew Ledbetter	AGC of Washington
Stacy Mullane	AGC of Washington
Doug Peterson	AGC of Washington
Chuck Quick	AGC of Washington
Dani Tijan	AGC of Washington
Jerry VanderWood	AGC of Washington
Patrick McQueen	Lease Crutcher Lewis WA, LLC
Bryan Kelley	Oles Morrison Rinker & Baker LLP

CALL TO ORDER

First Vice President Gary Smith welcomed everyone and called the meeting to order at 11 AM.

CONSENT AGENDA

Action: It was moved (Kunzman), seconded (Day), and carried to accept the February summary minutes. It was moved (Kunzman), seconded (Day), and carried to accept the March and April Membership reports as presented.

Re: March Membership Report (approved by Officers 3/3/15)

The following candidates have been screened and meet the proper classification requirements:

NEW MEMBERS

ASSOCIATE

Seattle District

California Industrial Facilities Resources Inc. / CAMSS Shelters, Monroe, WA
Lake Washington Construction Services, Inc., Seattle, WA

Southern District

Dickson Law Group PS, Tacoma, WA
North Mason Fiber Co., Belfair, WA
Ritchie Bros Auctioneers, Chehalis, WA

INTRODUCTORY SUBCONTRACTOR

Seattle District

Apollo Mechanical Contractors, Auburn, WA

NON-HOME GENERAL CONTRACTOR

Seattle District

Dragados USA Inc., Seattle, WA

Re: April Membership Report

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NEW MEMBERS

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ASSOCIATE

Northern Associate

Whatcom Lawns, Inc., Lynden, WA

Seattle District

Plangrid, San Francisco, CA

Tarragon LLC, Seattle, WA

INTRODUCTORY SUBCONTRACTOR

Northern District

The Erection Company, Ste. D, Arlington, WA

SUBCONTRACTOR

Central District

Titan Electrical LLC, Yakima, WA

Seattle District

Hammer Construction, Seattle, WA

MEMBERSHIP CATEGORY CHANGE

Lake Washington Construction Services – Seattle – Changing from an Associate to General contractor

NOT RENEWING MEMBERSHIP

Associates

BP Cherry Point Refinery – Northern – Budget issues

IMAGINiT Technologies – Seattle - See no benefit to membership

Industrial Bolt & Supply, Inc. – Seattle - Joined MBA for Health plan

JF Shelton Company, Inc. – Seattle - Joined MBA for Health plan

JPMorgan Chase & Co. – Seattle - not included in Association budget - no clients established

Mentor Law Group, PLLC – Seattle – No reason provided

Mountain Medic CPR – Seattle – No reason provided

Rudd Company, Inc. – Seattle – Joined for retro, didn't qualify, not the right classification code

Scheer & Zehnder LLP – Seattle - Not where they want to spend their marketing dollars

Swerve Fleet Training – Seattle – Phone number no longer exists, assume they're out of business

Wells Fargo Insurance Services USA, Inc. – Seattle – Reduced membership budget, not very active

McGladrey LLP – Southern – Focusing more on real estate clients at this time

Premier Rentals, LLC – Southern – Not renewing health plan

Tacoma Screw Products Inc. – Southern – No reason provided

General Contractors

Carlisle Classic Homes – Seattle - Not renewing in health plan - joined MBA plan

Ch2M Hill Constructors – Seattle - No reason provided

Comren, Inc. – Seattle - Project over, nothing else in WA

Mode Construction – Seattle - No reason provided

Traylor Frontier-Kemper J.V. – Seattle - Project has ended, may return if they secure another project they're bidding on in August

Retro

Craftwall - Inland NW - Closed their L&I account, being dropped from Retro

Subcontractors

PM Northwest, Inc. – Northern – Business closed

Whatcom Construction, Inc. – Northern – Business closed

Sno Valley Process Solutions – Seattle - Never participated, no large enough to get involved

Stansell Glass Inc – Seattle - Not renewing health plan - joined AWB plan

TWR Builders, LLC – Seattle - Business closing

Precision Electric of WA – Southern - Not renewing health plan

Triad Mechanical, Inc. - Southern - No longer participating in Retro program

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DROPPED

The following are member companies who have not paid their 2015 dues by the April 15th deadline; per the AGC bylaws, they become members not in good standing and must be expelled from membership:

ASSOCIATES

Andrews & Associates Construction Consulting Services, LLP - Northern
Materials Testing & Consulting, Inc. - Northern
Enterprise Fleet Service - Seattle
Gordon & Rees LLP - Seattle
KriStar Enterprises, Inc. - Seattle
Mallory Safety & Supply LLC - Seattle
Mistras Group - Seattle
Sound Weather LLC - Seattle
Steeler, Inc. - Seattle

Team Tube LLC - Seattle
Tec Equipment Seattle - Seattle
The Blue Book Building and Construction - Seattle
Washington State Conference of Mason Contractors - Seattle
Exeltech Consulting Inc - Southern
Hanes Geo Components - Southern
Phicore Health Services, LLC - Southern
Pinnell Busch, Inc. - Southern

GENERAL CONTRACTORS

DLT Construction, LLC - Central
S A R Construction Co. Inc. - Central
BOSS Construction, Inc. - Northern
Doyon Project Services, LLC - Seattle
Franklin Pacific Construction Company - Seattle
Frontier-Kemper Constructors, Inc. - Seattle

Cherokee Construction Services, LLC - Southern
Coastline General, Inc. - Southern
Edge West LLC - Southern
Shimmick Construction Company Inc. - Southern
Sunset Pacific General Contractors, Inc. - Southern

SUBCONTRACTORS

Lundeen Simonson Inc - Central
COBRA BEC - Seattle

Rebar International, Inc. - Seattle

YOUNG CONSTRUCTORS

Cera Davis – M.A. Mortenson Company
Shawn O’Leary – Holland Construction

D’Hondt noted that the drop in membership numbers is typical for this time of year; those joining / dropping for health plan reasons should begin to level out in the months ahead. It was noted that membership dues revenue is at an all-time high, even though membership numbers do not reflect this.

WRITTEN REPORTS

The following written reports were presented to the Board: district reports from the Central, Northern, Seattle, and Southern districts; and, Communications/Marketing and Property reports (copies attached to original summary minutes).

ORAL REPORTS

FLF Presentation – FLF Chair Bryan Kelley with Oles Morrison Rinker & Baker and Patrick McQueen with Lease Crutcher Lewis gave an updated first quarter status report on the AGC’s Future Leadership Forum. They restated the FLF’s purpose and mission: “To develop the professional and interpersonal skills of up-and-coming leaders of Washington’s construction industry. The FLF is focused on providing events centered on education, professional development and networking to enhance participants’ knowledge of the local marketplace, the construction industry, the AGC, and their own leadership potential.” They noted that the FLF has developed four subcommittees, which encompass: executive (Board/officers); education;

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social; and philanthropy. In addition to other events, FLF has planned another Leadership Series that will have more local focus than last year; pricing is \$20/per person; flyers are available for those interested. Kelley and McQueen asked Board members to encourage participation by employees, come to FLF events to help break down the division of the senior group versus the younger group; take FLF's seriously; let them know if you don't agree with what they're doing; and, encouraged the Board to demand more of them.

Board member Mickey Traugutt suggested the FLF consider live webinars in an effort to reach more people in outlying areas. He also suggested the younger generation be recognized more for their accomplishments.

President's Report – President Smith reported on the recently attended AGC of America National Convention in Puerto Rico. He stated that it was a good convention; a great opportunity to network and collaborate with members from other chapters. Smith noted that all states are struggling with a viable transportation package; and, workforce development continues to be a key issue across the country.

June 5 Board Retreat – Smith encouraged attendance at the June 5 Board Retreat, which will be held from 9 AM to approximately 3 PM; an 8:30 AM continental breakfast will be available prior to the meeting. He stated that the majority of the day will be spent developing short and long-term goals for our Strategic Plan.

Executive Vice President's Report – Executive Vice President David D'Hondt encouraged the use of AGC of America's resources. He highlighted some of what AGCA worked on last year:

- Water Resources Reform Bill – passed
- Inland Waterway Fuel Tax increase
- Highway & Transit Reauthorization
- Multi-Employer Pension Reform
- Limitations on Reverse Auction Procurement
- Fly Ash as a Toxic Substance
- Revisions to DOT DBE Requirements
- Government PLA's

Current challenges for this year include:

- Highway & Transit Reauthorization
- Multi-Employer "Hybrid" Plans
- OSHA – new silica rule – trying to limit
- EPA "Waters of the U.S."
- Comprehensive Tax Reform
- NLRB "Ambush" Elections
- EPA & OSHA e-Reporting
- "Blacklisting" Executive Order

Per AGC of America (CEO Steve Sandherr), the "keys to success" are:

- Recruit and retain the right people
- Partner with those who share your values
- Perform quality work
- Know the project
- Anticipate and address conflicts early
- Offer alternative methods
- Tell the truth

D'Hondt showed a couple of new AGCA video ads; they will start using more videos in their future advertising campaign.

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AGC Education Foundation Presentation – Executive Director Diane Kocer gave a brief overview of the Foundation. Kocer noted that the Foundation was founded in 1980 by the AGC of Washington and continues to operate as a seamless arm of the AGC of Washington, offering a multitude of industry classes (including custom classes to members and non-members), webinars, student scholarships, grants, and involvement in workforce development, i.e. King County Construction Career Days, Ready Set Build, Construction Adventure Camp, partnering with Seattle Public Schools in various teacher/student outreach programs, etc. Kocer thanked the Board for AGCWA’s annual \$126k subsidy to the Foundation; it currently has a \$3.9M endowment fund, plus \$994k in restricted funds.

INTERACTIVE DISCUSSION/ACTION

Controller’s Financial Report – Controller Kelly Barber reviewed the financials for the month ended February 28, 2015. As of February 28, 2015, the Net Operating Income (NOI) equaled \$1.367M vs. a year-to-date budget NOI of \$1.327M creating a favorable year-to-date budget variance of \$40k. The year-to-date positive revenue variance of \$20k combined with the positive expense variance of \$20k produced the total favorable year-to-date budget variance of \$40k.

The year-to-date positive revenue variance of \$20k was primarily from above budget revenue in Event Revenue and Other Rent Revenue.

The year-to-date positive expense variance of \$20k was primarily comprised of under budget expenses in most expense categories except Event Expense and Building / Marina Expense.

The building’s occupancy rate was 94% as of February 28, 2015.

Action: It was moved, seconded (Day), and carried to approve the February Financial Report as presented.

Draft 2014 AGC Audit Report – Controller Barber reviewed a draft copy of the 2014 AGC Audit Report by Doty, Beardsley, Rosengren & Co., P.S. Barber reported an increase in net cash and cash equivalents of \$224.7k at year-end 2014 compared to \$328.6k at year-end 2013. Per Barber a final audit report should be available in May.

President Smith reported that the auditors have suggested some internal controls be implemented related to:

- Policy for airline miles used
- Policy for small tips / recognition
- Future property management – internal versus external
- Trading for services in the Marina

LAC Recommendation on 12/8/14 Request by John Ahlers – Smith advised that there is nothing new to report on this issue; no recommended action to take, as of this date, as no lawsuit is currently planned.

GAC Legislative Update – Chief Lobbyist Jerry VanderWood gave an updated legislative report, which included:

- Transportation Package – House and Senate each has their own version and are trying to reach agreement.
- Bid Listing Bill dead
- AGC’s BUILD PAC – ahead of budget with dues check-off
- Thank you to everyone who has visited Olympia lately and assisted with legislative issues

Strategic Plan – Smith and D’Hondt reported that the upcoming June 5 Board Retreat will focus on establishing short and long-term goals, reviewing the current Strategic Plan and its BHAG’s to determine whether relevant or not and to establish new BHAG’s if appropriate. They noted that some relevant issues to consider include:

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- Membership – attracting and retaining members; generational elements – keeping relevant
- Education / Workforce Development – needs of smaller-mid-sized companies versus large companies?
- Legislative / Advocacy – staying business friendly
- Technology – are we current or not?
- Properties – important asset
- Succession Planning – what can Board do to assist with transition of senior staff?

Smith asked Board members to submit additional thoughts / comments to him or D'Hondt within the next couple of weeks. He noted that refining the Strategic Plan will be a two-part procedure: the June Retreat will involve discussion and framing issues; the September Board meeting will clarify BHAG's and further define short and long-term goals.

D'Hondt reported that Sarah Sladek, CEO with XYZ University, will assist in facilitating the retreat via live webinar. He circulated to the Board (and to key staff) a copy of her book, "Knowing Y," which he asked the Board to read prior to the retreat. Sladek's book pertains to Generation Y and how to work with them as they become a dominant generation in the workforce.

OTHER BUSINESS

Announcements –

April 21	Seattle District Membership Mtg., 7:30 AM, Harborside Rm.
May 6	Southern District Membership Mtg., 5 PM, Tacoma Elks Club
May 14	Build WA Awards Dinner, Museum of Flight, 6 PM
May 18	Seattle District Golf Tournament, Bear Creek Country Club
June 5	Board of Trustees' Retreat, 8:30 – 3 PM, AGC Conference Center

The meeting was adjourned at 12:45 PM for a tour of the AGC building led by Facilities Engineer Chuck Quick, Property Manager Paula Jackson, and Director of Properties Richard Bristow.

Jake Jacobson, Second Vice President

Date