

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
APRIL 11, 2016**

BOARD MEMBERS PRESENT

Nancy Munro	MidMountain Contractors, Inc.
Bill Bender	UW Dept. of Constr. Mgmt.
Gary Smith	Lease Crutcher Lewis WA, LLC
Mike Grace	Groff Murphy, PLLC
Frank Imhof	IMCO General Construction, Inc.
Jake Jacobson	Osborne Construction Company
Chris Lang	Fisher Construction Group
Brent Levander	Centennial Contractors Enterprises
Annie Lombroia	Ashbaugh Beal
Paul Mayo	Flatiron Constructors, Inc.
Jim Rowley	Howard S. Wright,a Balfour Beatty Co.
Jessica Scarsella	Scarsella Bros., Inc.
Glyn Slattery	Lydig Construction, Inc.
Gordon Spencer	Teknon Corporation

BOARD MEMBERS ABSENT

Delton Bonds	Mountain States Const.Co
Dawn Stephens	Charter Construction, Inc.
Mickey Traugutt	Washington Patriot Construction LLC
Sharon Young	Concord Construction, Inc.

STAFF/GUESTS PRESENT

David D'Hondt	AGC of Washington
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Jerry Dinndorf	AGC of Washington
Liz Evans	AGC of Washington
Lauren Gubbe	AGC Group Retro
Randy Guzman	AGC of Washington
Paula Jackson	AGC of Washington
Dave Kearby	AGC of Washington
Diane Kocer	AGC Education Foundation
Adrienne Woods	AGC Education Foundation
Mandi Kime	AGC of Washington
Andrew Ledbetter	AGC of Washington
Sean Lewis	AGC of Washington
Stacy Mullane	AGC of Washington
Dani Tijan	AGC of Washington
Michele Willms	AGC of Washington
Ian McFarland	View Dynamic Glass
Joe Woods	Pacific Public Affairs

CALL TO ORDER

President Nancy Munro called the meeting to order at 11 AM.

CONSENT AGENDA

Action: It was moved (Mayo), seconded (Slattery), and carried to accept the February summary minutes as presented.

It was moved (Mayo), seconded (Jacobson), and carried to accept the March and April Membership reports as presented.

March 24, 2016 Membership Report (Approved by Officers 3/24/16)

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

NEW MEMBERS

ASSOCIATE

Northern District

Waddell and Reed, Bellingham, WA

Seattle District

Telogis, Aliso Viejo, CA

Southern District

RedRock Resurfacing, a Laramore Enterprises Company, Sumner, WA

INTRODUCTORY SPECIALTY CONTRACTOR

Seattle District

Marshbank Construction Inc., Lake Stevens, WA

NON-HOME GENERAL CONTRACTOR

Seattle District

Hensel Phelps, Bellevue, WA

SPECIALTY CONTRACTOR

Seattle District

Gale Contractor Services, Lynnwood, WA

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YOUNG CONSTRUCTORS

Brett Campbell
Kleinfelder
425.636.7900

Elizabeth Heile
Unemployed
206.465.3765

Laurin Preston
Scott Coatings
206.334.6721

DISTRICT CHANGE

Southern to Seattle District

Centennial Contractors Enterprises, Inc. - moved offices from Fife to Seattle

MEMBERSHIP CANCELLED

Sonitrol Pacific – Southern – company was asked to change from an Associate member to a Specialty Contractor member because they are registered as a contractor with Washington State and perform as a Subcontractor on contracts for installment of security and fire detection systems. Company joined in February did not want to pay more dues and has since cancelled their membership and received a refund of Associate dues paid.

MEMBERSHIP CATEGORY CHANGE

Ventilation Power Cleaning has changed from an Associate to Specialty Contractor member

COMPANIES NOT RENEWING MEMBERSHIP

Associates

Banner Bank – Seattle – Budget cuts
Hayre McElroy & Associates, LLC – Seattle – No reason provided
LCPtracker, Inc. – Seattle – No reason provided
Lovsted Worthington, LLC – Seattle – Merged with HUB International
Structured Solutions NW – Seattle – Business closing
Brink & Sadler, CPA's – Southern – No reason provided
Federal Way Public Schools – Southern – No reason provided

General Contractor

JE Dunn Construction – Seattle – Business closed
Kiewit - General a Joint Venture – Southern – Business closed

Specialty Contractor

Innovative Millwork Solutions – Seattle – Not eligible for retro

APRIL 11, 2016 MEMBERSHIP REPORT

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

NEW MEMBERS

YOUNG CONSTRUCTOR

Spencer Snorteland, Pacific West Construction
Ron Gettemy, 2 Diamond Construction LLC

RETRO ONLY

Zetin Contractors
Stone Creek Land Design

COMPANIES NOT RENEWING MEMBERSHIP (amended version – new drops since last report in red (4/11/16))

Associates

C2DG, Inc. – Seattle – No reason provided
Mistras Group – Seattle – Not using benefits
Safety-Source/C-STOP – Seattle – Not using benefits
Stuart Silk Architects – Seattle – Not using benefits
Titaan, LLC – Seattle – Not using benefits

Specialty Contractors

Apollo Mechanical Contractors – Seattle – May return to membership later in the year
J & S Masonry, Inc. – Seattle – In a different retro program
Mason Contracting, Inc. – Seattle – No reason provided

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(Amended section – the section below has been added for your review on 4/11/16)

The following are member companies who have not paid their 2016 dues. If not paid by the April 15th deadline, per the AGC bylaws, they will become members not in good standing and will be expelled from membership:

ASSOCIATES

Materials Testing & Consulting, Inc. - Northern
Alaska USA Federal Credit Union - Seattle
Bank of America Merrill Lynch - Seattle
California Industrial Facilities Resources Inc. - Seattle
Drywall Distributors, Inc - Seattle
Ellstrom Manufacturing, Inc. - Seattle
GE Capital - Seattle
Gordon & Rees LLP - Seattle
Lafarge North America, Inc. - Cement Division - Seattle

Marston Legal, PLLC – Seattle (Rec'd payment; not dropped)

Martens + Associates I P.S. - Seattle
Masonry Institute of Washington - Seattle
ACROW Corporation of America - Southern
Northwest Wire Rope & Sling - Southern
RMD Kwikform - Southern
United Rentals Northwest, Inc. – Southern

GENERAL CONTRACTORS

Lake Washington Construction Services Inc. - Seattle
Dulin Construction, Inc. - Southern

Utility Pipeline Contractors, Inc - Southern
Shimmick Construction Company Inc. – Southern

SPECIALTY CONTRACTORS

Fryer-Knowles, Inc. - Seattle
Reliable Floor Covering, Inc. - Seattle

Westmark Products, Inc. – Southern

YOUNG CONSTRUCTORS

Justin McCain
Shannon Fuller
Tim Ryan

WRITTEN REPORTS

Action: It was moved (Scarsella), seconded (Mayo), and carried to approve the Central, Northern, Seattle, and Southern district written reports. It was moved (Mayo), seconded (Spencer), and carried to approve the Marketing and Property written reports.

ORAL REPORTS

FLF Report – FLF Representative to the Board, Jessica Scarsella, gave an updated report on the Future Leadership Forum; upcoming activities/events include:

- FLF Cinco de Mayo at Kirkland's Flatstick Pub, May 5, sponsored by Lydig Construction.
- Upcoming leadership series topics include: *Puget Sound Market Outlook*; *The Business of Construction*; *Emotional Intelligence and Crucial Conversations*; *Eating for Energy*; and, concluding with *Leaders Get Involved* featuring AGCA President Mark Knight, AGCA President Nancy Munro, Karen Dorsey of Skanska USA, and Sean Woerman of Lydig Construction and National Chair Construction Leadership Council.
- Working on events in the various districts.
- *Sarah Cox Talks*, from AGC Convention (see AGC website, www.agcwa.com).
- Meeting with UW Student Chapter members.

President's Report – President Munro reported on the following:

- AGCA Convention – Extremely worthwhile event; AGCA continues to be focused and stay current on all aspects of the industry. She encouraged everyone to stay in tune with what AGCA does for us. First Vice President Jake Jacobson stated that AGCA is very active and progressive in dealing with regulatory issues; he felt the resources they offer members are underutilized. He reported that Georgia and Kansas are light years ahead of AGCWA in workforce development.

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- Staff Years of Service Recognition – Certificates and years' of service pins were given to the following staff:
 - Lauren Gubbe, Group Retro, 20 yrs.
 - Carl Singleton, Group Retro, 10 yrs.
 - Daniela (Dani) Tijan, AGC of Washington, 40 yrs.
- June 3 Board Retreat – 8 AM - 3:15 PM, AGC Conference Center; more details will be sent at a later date.
- AGC Education Foundation – Relocating to the fourth floor and maintaining current space on the first floor for additional classroom space.
- Officers approved \$5k out of the Board Contingency Fund (\$3,367 spent to date) for appeal of the new Construction Storm-Water General Permit. Jacobson reported that the Department of Ecology has written numerous onerous changes to the Construction Storm-Water General Permit and a number of associations, including AGCWA, are supporting its appeal.

Action: It was moved (Mayo), seconded, and carried to support the appeal of the new Construction Storm-Water General Permit up to \$5k out of the Board Contingency Fund.

- Jacobson gave an updated report on the Brightwater tunnel-project where contractors Vinci/Parsons RCI/Frontier Kemper JV (VPFK) are in legal dispute with King County. An amicus brief was filed in support of the JV's request that the WA Supreme Court review a lower court's decision that favored King County. AGC, NECA and NUCA joined in the amicus filing. Marketing Director Sean Lewis advised there would be more information available tomorrow online at www.agcwa.com.
- Strategic Plan task forces – Munro reported on the creation of two task forces and asked for Board volunteers and/or recommendations for each:
 - Diversity Task Force** - Glen Slattery, Gordon Spencer, and Annie Lombroia offered to recommend someone.
 - Workforce Development Task Force** - Bill Bender and Glyn Slattery volunteered their services; it was noted there would be one Education Foundation representative).

Per Munro, the goal is to meet a couple of times before the June 3 Board Retreat.

Executive Vice President's Report – Executive Vice President Dave D'Hondt reported on the following:

- Ian McFarland, former Board member is employed with View Dynamic Glass, joining as an Associate Member.
- AGCA link to YouTube – D'Hondt encouraged Board members to view the various AGCA presentations available from the recent National Convention; D'Hondt stated that he would send the link to the Board.
- At the National Convention, AGC of America voted (passed) to eliminate the Specialty Contractor Membership Classification within AGC of America making them Regular Members, thereby providing all contractor members the same opportunities and privileges of membership as it pertains to programs, services, involvement and leadership within National AGC. This change will not require or necessitate any changes to local chapter structure, governance procedures and/or membership classifications.

AGC Education Foundation Presentation – Executive Director Diane Kocer gave a brief overview of the Foundation. 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; it currently has a \$3.9M endowment fund, plus \$994k in restricted funds.

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It was reported that in 2014 AGCWA and the AGC Education Foundation renewed its partnering agreement, and last year established a 5-yr. Strategic Plan, which among other things, focuses on future workforce development. Per Kocer, the Foundation formed a task force, *Tomorrow's Construction Workforce Today*, which will focus on future workforce development. Kocer offered to email a copy of the Board presentation to Board members (*Chris Lang requested a copy*).

Sound Transit 3 Presentation – PR firm Pacific Public representatives that included Joe Woods gave an overview of a proposed 25-year (2021-2041) Sound Transit 3 system plan project list for Light Rail, Bus Rapid Transit / bus projects, Sounder Commuter Rail, and HCT studies/policies and programs from DuPont to Everett, with an estimated \$50B cost (\$28B through new taxes that would have to be approved by the voters). Per Woods, Pacific Public is currently seeking funding (Phase 1) for campaign polling; they're hoping to raise monies by June 1 (\$3.5-4M for Phase 1 & 2); currently have raised \$125k). Woods reported that the Building Trades have pledged \$500k; by Phase 2 (Aug. 8), \$2.2M is needed for media. He stated that the construction industry has contributed between \$450-550k in years' past. It was noted that federal grants would be included, however, the amount is not yet known. First VP Jake Jacobson asked if Sound Transit intended to have PLA's as part of the ST3 project. Woods replied that he did not know, but would certainly ask Sound Transit.

After the representatives left the meeting, Board members continued discussion. D'Hondt reported that Doug McDonald (WSDOT) has stated he would not be voting for this. It was the general consensus that AGCWA should get involved early if that is the intent. D'Hondt suggested the Board approve \$2,500 out of the Board Contingency Fund for polling efforts. Jake Jacobson expressed his strong opposition to contributing at this time without knowing if PLA's will be used in ST3 projects. Second VP Frank Imhof agreed AGC should take a stand now against all PLA's; he felt the public needs to be better educated on this issue. Seattle District Manager Jerry Dinndorf updated the Board on what AGCWA has done, to date, in attempting to oppose PLA's; and while they have not been eliminated, in many situations there has been compromise whereby the contractor has been allowed to be a part of the negotiating process as opposed to being told what's going to happen. He stated that the Port has been trying to work with AGC on the issue of PLA's.

Action: Paul Mayo made a motion to approve \$2,500 out of the Board Contingency Fund for polling efforts (motion retracted after more discussion).

Per Nancy Munro, per the general consensus of the Board, this issue will be taken to the Government Affairs Committee for their meeting on April 26 for further discussion and recommendation on how to proceed. After the GAC meeting, the Officers will consider recommended action and email the Board the Officers' recommendation.

Excerpt from AGCWA Bylaws: 8.2 The Board of Trustees shall meet six times annually. Notices for all Board of Trustees meetings may be sent electronically. Special meetings of the Board of Trustees may be called from time to time on request of five trustees or by any of the officers. ***Notice of such meetings shall be sent to all members at least ten days prior to the meeting. At the discretion of the President set forth in the meeting notice, voting may be electronic for a special meeting of the Board.***

INTERACTIVE DISCUSSION/ACTION

Controller's Financial Report – Controller Kelly Barber reviewed the financials for the month ended February 29, 2016. As of February 29, 2016, the Net Operating Income (NOI) equaled \$1,361k vs. a year-to-date budget NOI of \$1,203k creating a favorable year-to-date budget variance of \$158k. The year-to-date positive revenue variance of \$85k combined with the positive expense variance of \$73k produced the total favorable year-to-date budget variance of \$158k. The year-to-date positive revenue variance of \$85k was primarily from above budget revenue in Membership Dues, Other Rent Revenue and the majority of all other revenue categories except Building Revenues. The year-to-date positive expense variance of \$73k was primarily comprised of under budget expenses in most expense categories.

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The building's occupancy rate was 98% as of February 29, 2016.

Action: It was moved (Imhof), seconded and carried to approve the February financials as presented.

Results of 2015 AGC Audit Report – Controller Kelly Barber reviewed the 2015 audit report by The Doty Group, PS. Barber reported on the auditor's report and unmodified opinion which stated AGC's financial statements present fairly, in all material respects, the financial position of AGC as of December 31, 2015 and 2014 with accounting principles generally accepted in the United States of America. The auditor's report also stated the association has filed its federal tax returns timely with the IRS. Several graphs from the audit results were presented showing revenue sources, functional expenses, total expense by department, historical revenues and investment balances.

Action: It was moved (Mayo), seconded (Slattery), and carried to approve the 2015 audit report as presented.

AGC Legislative Update – Government Relations Associate Michele Willms gave an updated legislative report, which included upcoming statewide elections (Governor and Lt. Governor) and several statewide ballot measures that are on GAC's watch list:

- I-1421 – Filed by Tim Eyman, this measure limits total annual vehicle registration fees to \$30 per vehicle and would cut an estimated \$3.5B from transportation accounts over 10 yrs.;
- I-732 – This measure would impose a carbon emission tax on the sale or use of certain fossil fuels and fossil-fuel-generated electricity, at \$15 per metric ton of carbon dioxide in 2017, and increasing gradually to \$100 per metric ton. It would reduce the sales tax rate by one percentage point over two years and estimated to raise gas prices by 25 cents per gallon. Overall, few on the left or right like I-732. The Governor is pushing ahead with his own carbon reduction effort via rulemaking.
- I-1433 – Sponsored by State Labor Council, this measure would increase the state hourly minimum wage for employees who are at least 18 to \$11 in 2017; \$11.50 in 2018; \$12 in 2019, and \$13.50 in 2020. It would require employers to provide paid sick leave starting in 2018; no exemption for the construction industry.
- I-1518 – Sponsored by the WA Restaurant Association as the \$12 alternative to I-1433, this measure would increase the state hourly minimum wage for employees who are at least 18 to \$10.50 in 2017, \$11 in 2018, \$11.50 in 2019, and \$12 in 2020, and allow temporary training wages starting at \$9.50/hr. It would require employers to provide paid sick leave starting in 2018; no sick leave exemption for the construction industry.
- ST3 – Very likely on the ballot – King, Pierce, Snohomish counties. The 25-year plan would construct light rail from Tacoma to Everett, from West Seattle to Issaquah, by building 58 miles of light rail and 39 stations. The \$50B in investments includes \$28B in new taxes that would have to be approved by the voters (sales, MVET and property taxes).
- Seattle Housing Levy – Very likely on the August ballot, Seattle. The mayor's proposal includes \$201M capital funding and \$42M operating funding for rental production and preservation. Funding is from a doubling of the current housing levy, which expires this year.

Willms also reported that AGC's BUILD PAC has done very well in large part due to the 4.25% membership allocation to BUILD-PAC = \$88k, plus \$69k from the membership dues check-off.

OTHER BUSINESS

Announcements –

April 19	Seattle District Membership Mtg., 5-7 PM, Harborside
	Central District Dinner Mtg., 6 PM, Yakima Elks Golf & Country Club
May 4	Southern District Membership Mtg., 5 PM, Tacoma Country Club
May 20	Construction Industry Hall of Fame Banquet, Bell Harbor Conference Center
May 23	Seattle District Golf Tournament, Bear Creek Country Club
May 26	Build WA Awards, Century Link Field
June 3	Board of Trustees' Retreat, 8 AM – 3:15 PM, AGC Conference Center

The meeting was adjourned at 2 PM.

Frank Imhof, 2nd Vice President

Date