

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
AGC CONFERENCE CENTER
APRIL 9, 2018**

BOARD MEMBERS PRESENT

Frank Imhof IMCO General Construction, Inc.
David Bal Signs Now Washington
John Belarde Belarde Company, Inc.
Krissy Dreher McKinstry Co.
Curt Gimmestad Absher Construction Company
Sean Hilt Turner Construction Company
Jake Jacobson Osborne Construction Company
Chris Lang Fisher Construction Group
Ian McFarland View Dynamic Glass
Patrick McQueen Lease Crutcher Lewis WA LLC
Shana Peschek Construction Center of Excellence
Ross Pouley RAP Consulting, LLC
Glyn Slattery Lydig Construction, Inc.
Dawn Stephens Charter Construction, Inc.
Lindsay Watkins Ahlers Cressman & Sleight PLLC
Sharon Young Concord Construction, Inc.

BOARD MEMBERS ABSENT

Paul Mayo Flatiron West, Inc.
Jim Rowley Howard S. Wright, a Balfour Beatty Co.
Jeff Tiegs Lincoln Construction, Inc.

STAFF/GUESTS PRESENT

David D'Hondt AGC of Washington
Tim Attebery AGC of Washington
Kelly Barber AGC of Washington
Liz Evans AGC of Washington
Sonja Forster AGC of Washington
Dave Kearby AGC of Washington
Stacy Mullane AGC of Washington
Dani Tijan AGC of Washington
Diane Kocer AGC Education Foundation

CALL TO ORDER

President Frank Imhof called the meeting to order at 11 AM. He announced (and welcomed) the appointment of Patrick McQueen with Lease Crutcher Lewis WA as Jessica Scarsella's replacement on the Board of Trustees. He began with an icebreaker asking everyone what they wanted to be when in high school? Only a couple of people hoped to be working in the field they are currently in.

CONSENT AGENDA

Action: It was moved (Slattery), seconded (Stephens), and carried to accept / approve the following consent agenda items:

- 1. February financial statements;*
- 2. February summary minutes;*
- 3. March and April Membership Reports (reflected below);*
- 4. Central, Northern, Seattle, and Southern district reports (attached to original minutes).*
- 5. Marketing and Property department reports (attached to original minutes).*

March 12 Membership Report (approved by Officers 3/12/18)

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

NEW MEMBERS

ASSOCIATE

Seattle District

GEM Real Estate Partners, Seattle, WA
Milestone Worldwide, LLC, Seattle, WA
SharkBite, Atlanta, GA

SPECIALTY CONTRACTOR

Central District

Absolute Comfort Technology LLC, Yakima, WA

Southern District

Hughes Group LLC, Tacoma, WA
Total Lawn Care, LLC dba Total Property Services, Puyallup, WA

NOT RENEWING MEMBERSHIP

Associates

Ancon – Northern – Closing office
Applied Software – Seattle – Budget cuts
Sedgwick LLP – Seattle – Business has closed
Jesse Co. – Southern – No reason provided

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General Contractor

Blue Marine, LLC – Seattle – No reason provided
Mountain West Construction, LLC – Southern – Business has closed
Stan Palmer Construction, Inc. – Southern – Business has closed

Specialty Contractor

Picatti Bros./ISE – Central – disqualified from Retro program
Northeast Electric, LLC – Southern – cancelled health insurance

Re: April 9 Membership Report

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

NEW MEMBERS

ASSOCIATE

Seattle District

Capital One, Seattle, WA
Stratacore, Seattle, WA

Southern District

Dickson Frohlich, WA

GENERAL CONTRACTOR

Seattle District

MR Q CONSTRUCTION LLC, Mercer Island, WA
Reliable Dynamics, Seattle, WA

SPECIALTY CONTRACTOR

Southern District

TRS Mechanical, Inc., Spanaway, WA

RETIRED MEMBERSHIP

Nancy Munro retired from AGC member firm MidMountain Contractors and has requested a retired membership to remain active with AGC.

DISTRICT CHANGE

Shimmick Construction Company – Southern – moved offices, is now in the Seattle District

NOT RENEWING MEMBERSHIP

Associate

AECOM - Seattle
Dexter + Chaney – Seattle – Acquired by “Viewpoint Construction Software”
Hedeen & Caditz, PLLC - Seattle
Marshall & Sullivan, Inc. – Seattle – No reason provided
Marsh USA, Inc – Seattle – No reason provided
Marston Legal, PLLC – Seattle – Value of membership does not match dues paid

General Contractor

Edifice Construction Company, Inc. – Seattle – dues too high

Specialty Contractor

Associated Roofing Inc – Seattle – No reason provided
Floform Countertops – Seattle – Budget cuts
Matvey Foundation Repair – Seattle – Cost/Benefit equation does not work for us
Sterling Electrical Contractors - Seattle

RETRO

American Ironworks & Erectors

Dix Corporation Retro

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The following are member companies who have not paid their 2018 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:

(Highlighted companies paid dues before the April 15 deadline and were not dropped)

ASSOCIATE

Jeffers, Danielson, Sonn & Aylward, P.S. Central
Bader Martin, P.S. - Seattle
Columbia Bank - Seattle
Davis-Bacon Pension Plans, Inc. - Seattle
Foster Pepper, PLLC - Seattle
JLM Strategic Talent Partners - Seattle
Lane Powell, PC - Seattle
Masonry Institute of Washington - Seattle
NBS Promos - Seattle

Payne West - Seattle
RedTeam Software - Seattle
Short Cressman & Burgess PLLC - Seattle
Tarragon LLC - Seattle
U.S. HealthWorks Occupational Clinics - Seattle
United Site Services, Inc. - Seattle
Viewpoint Construction Software - Seattle
Workforce Central – Southern

GENERAL CONTRACTOR

Greenberry Industrial LLC - Northern
B Bissell General Contractors LLC - Seattle
Sage Management Group, Inc. - Seattle
Shimmick Construction Co. Inc – Seattle

Shimmick/Parsons JV - Seattle
SNC-Lavalin Constructors, Inc. - Seattle
Cedar Recycling Inc. - Southern

SPECIALTY CONTRACTOR

Garner Construction WBE, Inc. - Seattle
Kane Remediation Tech. Inc. - Seattle
Perimeter Security Group, LLC - Seattle

Snyder - Seattle
Titan Electric, Inc. – Seattle

YOUNG CONSTRUCTOR

Brett Campbell
Dana Palmer
James Quick
Laurin Preston

Matthew Komisarz
Pedro Rosales
Philip Lee
Sarah Smith

ORAL REPORTS

CLC Update – CLC Representative to the Board, Krissy Dreher, gave an updated report on CLC activities, that included:

- 2018 CLC events have been scheduled and are reflected on their business cards;
- Held a social event at Henry's Tavern on 3/28;
- Argosy Cruise scheduled for 5/17;
- Various educational opportunities coming up including: 6/28 Construction Legends; and, 10/25 Construction Law will be held during the year;
- The Big Event Lakeside Luau will be held in the AGC parking lot on 7/20; everyone is welcome. The goal is 400 attendees;
- AGC Officers meet twice a year with the CLC Steering Committee;
- UW, CWU, and WSU student chapters are involved with CLC

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AGC Education Foundation Orientation – Executive Director Diane Kocer oriented the Board on the AGC Education Foundation’s purpose, reviewed their impact statement and Strategic Plan.

Kocer reported that she and Shana Peschek would lead the discussion at the June 1 Board Retreat on Workforce Development.

She also explained that the AGC Education Foundation was taking the lead on Core Plus Construction training, a statewide curriculum for Washington State high schools, by working with industry partners, organizations and high schools through various grant programs.

It was noted the AGC of Washington helps subsidize the AGC Education Foundation with \$126k annually as well as \$25 of each class fee for AGC members; and, gives the Foundation free rent for office / class space.

Kocer also reported that 1980 AGC of Washington past president and long-time Foundation supporter Larry Johnson recently passed away.

President’s Report – President Frank Imhof reported on the following:

- a. Action taken by the officers since the last Board Meeting:
3/12/18 Action: It was moved (Stephens), seconded (Jacobson), and carried to approve \$10k from the Board Contingency Fund for the AGCA Construction Advocacy Fund.
It was noted that the AGCA has a construction advocacy fund which it uses for legislative influence. **It was moved, seconded, and carried to approve the Officers’ action.**

- b. AGCA National Convention recap: Secretary/Treasurer Dawn Stephens noted that AGCA is celebrating its 100-yr. anniversary. She reported on two presentations: 1) AGCA-developed jobsite anti-harassment videos available for purchase / rent from AGC of Washington; 2) Triax products – new technology that tracks / monitors workers on the jobsite for abrupt falls; and, sends immediate message alerts to supervisors.

D’Hondt circulated and reviewed literature from the convention regarding the FY 2018 federal government funding bill, which includes AGC-backed increases in investment for highway, transit and aviation construction.

Per D’Hondt, transportation funding represents a 15% increase over 2017; a significant increase on how the federal government will fund infrastructure (and all federal construction).

- c. June 1 Board Retreat: It was noted that the Board Retreat will begin with a business session in the AM and teambuilding in the early PM.
- d. Staff years of service recognition –
Sue Larsen – 45 yrs.
- e. Discussion items for future Board meetings – President Imhof reported on two discussion items for the upcoming Board Retreat: 1) Alternative Manufacturing Threats to Construction – led by Ian McFarland; and, 2) Workforce Development – led by Shana Peschek and Diane Kocer.

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

- a. AGC Partnering with Vulcan to Build Tiny Houses – At the 3/12/18 Officers Meeting, the Officers agreed to a request by Vulcan for AGC member participation on an upcoming media event that will involve the building of tiny houses; it is scheduled for May 24-25 at Century Link Field.
- b. Construction for Change – D’Hondt reported on Construction for Change, which provides construction management to under-resourced communities all over the world by partnering with non-profits to build critical infrastructure. He recommended a \$10k contribution from the Board

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Contingency Fund to this organization; they are planning a benefit event dinner in May. AGC will have one table of 10 available with this sponsorship.

Action: It was moved (Jacobson), seconded (Pouley), and carried to approve a \$10k contribution to Construction for Change from the Board Contingency Fund.

- c. Culture of CARE Month – D'Hondt reported the April 5 kick-off to Culture of CARE Month was well received with a panel of industry leaders discussing what their companies are doing to promote cultural care, safety awareness, diversity and eliminating bias. Seattle District Manager Sonja Forster noted that this was the start of important ongoing discussion of this issue.

D'Hondt reported that at the May 30 Build Washington Awards dinner, the Culture of CARE social media winner will be announced.

- d. Career Connect Washington – D'Hondt reported that as a part of Career Connect Washington, he is the lead for construction, noting an overlap with AGC Education Foundation's involvement in K-12. He stated that Kocer and Peschek will also serve on this panel with the Governor, who wants to get businesses involved in job shadowing, apprenticeship training, etc.

INTERACTIVE DISCUSSION / ACTION

2017 Audit Report – Controller Kelly Barber reviewed the 2017 audit report by The Doty Group, P.S. Per Barber, the auditor's opinion, "In our opinion, the financial statements referred to (above) present fairly, in all material respects, the financial position of Associated General Contractors of Washington as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the U.S.A."

Past President Jake Jacobson commended Controller Kelly Barber and Secretary/Treasurer Dawn Stephens for the great, detailed work involved with updating the Financial Board policies / guidelines, as well as securing new financial advisors for the association.

Government Affairs Committee Update – Trustee and GAC Chair Ross Pouley gave a legislative update, which included:

- \$4B Capital Budget passed (approximately \$1B in construction, including \$1B for schools)
- No new major taxes
- Hirst Fix passed and was signed by the Governor
- House Transportation Chair Judy Clibborn retiring
- Key race – 8th district: Reichert resigning; Dino Rossi running for this position (AGCA supported monies toward his campaign; GAC would like to endorse Rossi).
- King County Council passed the Priority Hire Ordinance (paves the way for the County to negotiate with Labor a Master Community-Workforce Agreement which will direct unions to prioritize workers from designated disadvantaged zip codes for dispatch to covered projects).
- Carbon Tax Bill (SB 6203) – AGC supports the King Amendment to remove CWA/PLA from carbon tax bill.
- Prevailing wage training (3SHB 1673) passed the Legislature.
- Prevailing wage and collective bargaining agreements (SSB 5493) passed the Legislature.
- Apprenticeship (EHB 1849) passed Legislature.

PLA Discussion – President Imhof gave a historical perspective on PLA's and stated that Seattle District Manager Sonja Forster would facilitate a discussion on PLA's and Central District Manager Dave Kearby would record discussions.

It was noted that AGC of Washington firmly believes in open and fair competition for all contractors. AGC is neutral on privately negotiated PLA's; however, AGC is opposed to government-mandated and government-negotiated Project Labor Agreements (PLA's also referred to as Community Workforce Agreements CWA) and will continue to oppose their use on projects with public money investments.

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In December 2017, the AGC established a taskforce made up of union and non-union contractors to counter the increasing use of government-mandated PLA's. It is felt the use of government-mandated PLA's have many negative impacts on a project, and the impacts create considerable hardships for minority-owned contractors and their workforce, small businesses, subcontractors, open shop contractors, union contractors, and the taxpayers.

The taskforce agreed, with the assistance of the Minority Contractors Association, their argument would be the centerpiece of a concerted effort to combat government-mandated PLA's.

The Board reviewed materials provided including taskforce recommendations. Considerable discussion ensued; and, included the following comments:

- 70% of work is in the public sector; a small % are PLA's.
- Unfair to small businesses; terms are not represented during labor negotiations; non-union, small businesses must pay fringes to the unions and likely never receive benefits once project completed.
- Employers are limited on the number of key employees they can have on a project
- Reduces competition.
- Costly; bureaucratic expense unnecessary; (AGC Board member): paying 25% more on current PLA project.
- Need to remove our emotions and look at issue from an objective standpoint.
- Initially advertised to avoid work stoppage and to create project stability (found to be untrue).
- We have underserved communities and area codes.

D'Hondt advised that the PLA Taskforce recommends two approaches to educating politicians and the public (including union workforce):

1. Legal (working on currently)
2. Political:
 - Make pilot videos focusing on diversity and inclusion (in coordination with minority contractors)
 - Discuss with UW some options of doing an accurate PLA cost study (per person) on the impacts of construction (cost study to include: cost to public; cost to the workers; analyze risks)

Other Suggestions:

- Can't just "shoot bullets," need a fix.
- Need an avenue to politicians; don't try educating the unions.
- Political system too strong; put in right context; waste of monies to workers; expose the political people.

Due to insufficient time, this discussion will be continued at the June 1 Board Retreat.

OTHER BUSINESS

Announcements

Apr. 17	Seattle District Membership Breakfast, 7:30 AM, Broadmoor Golf
May 2	Southern District Membership Mtg., 5 PM, Tacoma Country Club
May 21	Seattle District Golf Tournament, Bear Creek
May 30	Build Washington Awards, Kings St. Ballroom & Perch
June 1	Board of Trustees' Retreat, AGC Conf. Center, 8:30 – 3:30 PM (TBD)
June 8	Central District Golf Tournament, Apple Tree Golf Resort, Yakima
July 20	CLC Big Event, Luau, AGC Parking Lot, 5 PM
July 27	Southern District Golf & Field Day, Gold Mountain

The meeting was adjourned at 1:45 PM.