

**SUMMARY MINUTES  
AGC OF WASHINGTON  
BOARD OF TRUSTEES MEETING  
APRIL 10, 2017**

**BOARD MEMBERS PRESENT**

Jake Jacobson	Osborne Construction Company
John Belarde	Belarde Company, Inc.
Sarah Cox	Dorsey & Whitney LLP
Frank Imhof	IMCO General Construction, Inc.
Mike Grace	Groff Murphy, PLLC
Chris Lang	Fisher Construction Group
Jessica Scarsella	Scarsella Bros., Inc.
Glyn Slattery	Lydig Construction, Inc.
Gordon Spencer	Teknon Corporation
Ian McFarland	View Dynamic Glass
Nancy Munro	MidMountain Contractors, Inc.
Shana Peschek	Construction Center of Excellence
Ross Pouley	AECOM
Jim Rowley	Howard S. Wright, a Balfour Beatty Co.
Dawn Stephens	Charter Construction, Inc.
Sharon Young	Concord Construction, Inc.

**BOARD MEMBERS ABSENT**

Paul Mayo	Flatiron Constructors, Inc.
Curt Gimmestad	Absher Construction Company
Mickey Traugutt	Washington Patriot Construction LLC

**STAFF/GUESTS PRESENT**

David D'Hondt	AGC of Washington
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Liz Evans	AGC of Washington
Lauren Gubbe	AGC Group Retro
Randy Guzman	AGC of Washington
Tessa Halterman	AGC of Washington
Paula Jackson	AGC of Washington
Doug Peterson	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
Penny Schmitt	AGC of Washington
Stacy Mullane	AGC of Washington
Dani Tijan	AGC of Washington
Jerry VanderWood	AGC of Washington
Krissy Dreher	McKinstry Co.
Lindsay Taft	Oles Morrison, et. al.

**CALL TO ORDER**

President Jake Jacobson called the meeting to order at 11 AM and asked for self-introductions.

**WRITTEN REPORTS**

***Action: It was moved (Stephens), seconded (McFarland), and carried to approve the Central, Northern, Seattle, and Southern district written reports as presented.***

***Action: It was moved (Grace), seconded (Slattery), and carried to approve the Marketing and Property department written reports as presented.***

**ORAL REPORTS**

**Department Orientations** – Staff Lauren Gubbe and Mandi Kime oriented the Board on Group Retro and Safety, respectively. Significant mentions included:

**Group Retro:**

- 2016 reflected the largest refund year, to date, with \$8.4M refunded back to participants
- 99% retention rate of eligible members
- 20-30% lower than average L&I rates due to safety and light duty efforts
- Costs are two to four times less than competing plans
- Rate and claims workshops to understand your EMR (Experience Modification Rate) and target loss control efforts
- To learn more about AGC Group Retro, go to [agcwa.com](http://agcwa.com) / Member Benefits/Workers'Comp-Group Retro.

**Safety:**

- Recognized staff: Penny Schmitt, Tessa Halterman, and Randy Guzman
- AGC Safety Team: workplace safety program open to members
- Fall Protection: most notable change would be changing all items from a 10' trigger height down to 4'
- OSHA Recordkeeping/Reporting: awaiting President Trump's signature on a proposal to revise the OSHA promulgated package; for now, continue doing your logs as usual.
- OSHA-Silica: OSHA released a new Silica rule in March with a PEL of 50 micrograms; AGCA has filed suit against OSHA.
- Lead: Staff working on proposed draft language for stakeholders to consider maintaining the position that most lead over exposures come from a deference to the rules in general and would not be greatly impacted by a PEL change, but rather better enforcement and outreach on existing rules.
- OSHA Penalty Values: intending to increase their maximum penalties for the first time since 1990.
- Safety Forums held regularly in all districts; attendance welcomed.
- To learn more about the AGC Safety Services, go to [agcwa.com/SafetyPrograms](http://agcwa.com/SafetyPrograms).

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President Jacobson thanked Group Retro and Safety staff for staying abreast of regulatory issues and coordinating well-attended events.

FLF Update – FLF Chair Krissy Dreher updated the Board on recent and upcoming FLF activities, that included:

- June 23 – big event being planned at the Fremont Foundry with a carnival-type atmosphere (games, music, etc.) hoping to draw 450+ people; current budget for this event is \$34k (same as last year’s event); there will be a minimum charge for attendees and sponsorships will be available. Per Dreher, the timeframe would be 5-10 PM. It was suggested (Evans) that the timeframe be modified to encourage attendance by outlying districts. It was also suggested (McFarland) that consideration be given to inviting individuals from other associations, to raise the interest level. Dreher requested that AGCWA contribute up to an additional \$16k for this event, if needed.
- Dreher also requested the Board approve a name change from FLF (Future Leaders Forum) to CLC (Construction Leadership Council) to be in line with AGC of America and other chapters. It was noted that a name change would require a simple bylaws’ change.
- Treehouse Wearhouse project has been completed and is doing well.

**Action: It was moved (McFarland), seconded (Lang), and carried to approve changing the name FLF to CLC.** Note: this will require a bylaws’ change to be approved at the January Annual Membership Meeting.

**Action: It was moved (Imhof), seconded (Slattery), and carried to approve an additional investment of up to \$16k, if needed, for the June 23 CLC event. The AGC Officers will make this determination at their May 22 meeting.**

President’s Report

**a. Actions taken by the officers since the last Board Meeting:**

- i 3/13/17 It was moved (Stephens), seconded (Imhof) and carried to move \$200k to the Building’s Savings Account (now, \$800k in that account).
  - ii 3/13/17 It was moved (Mayo), seconded (Stephens), and carried to approve the 3/13/17 Membership Report.
  - iii 3/13/17 It was moved (Stephens), seconded (Imhof), and carried to approve Controller Kelly Barber’s solicitation of RFP’s for a Cash Management firm.
- b. McCormick & Schmick’s Harborside Restaurant – President Jacobson reported that the AGC negotiated a favorable exit plan with the restaurant and are currently working with architect Jim Graham; Graham recommends 2-3 onsite restaurants. It was noted that with the soon-to-be Facebook presence in the 1101 building, consideration is being given to appealing to that crowd for one of the restaurants.
- c. AGCA National Convention Recap – It was noted that, in addition to himself, Paul Mayo and Dave D’Hondt attended the convention this year. AGCWA also sent two students from UW and CWU each, as well as FLF chair Krissy Dreher. Due to Con-Expo running in conjunction with the convention, there were fewer break-out sessions / presentations than last year.
- d. June 2 Board Retreat – The Officers are working on the agenda; it will begin with a continental breakfast in the AGC Conference Center; timeframe: 8:30 AM – approximately 3:30 PM.

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

- a. BuildWashington.com update – The CTE Awareness Bill passed the Senate and House and is currently in the Rules Committee. D’Hondt advised that Nancy Munro, Michele Willms, and himself testified in Olympia on behalf of the bill; it was hoped funding would be authorized and

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efforts could proceed with an advertising campaign. It was reported that Melinda Nichols has been placed on retainer as interim consultant.

- b. Diversity Task Force – Liz Evans is transitioning to take the staff lead on this task force. Per D'Hondt, WSDOT is implementing a white women waiver on all new WSDOT projects in the state; white women are still included in WSDOT's federal DBE goals. They are doing a disparity study before implementation. Regarding the mentor protégé program, they are working to identify general contractor and subcontractor members in the state who are UDBE (everyone except white women). AGCWA is focusing on promoting AGC members to do business first with AGCWA DBE members.
- c. Dashboard – D'Hondt reviewed a newly developed dashboard for Board members, that allows viewing of 18 key indicators including: Revenue vs. Budget; Building Revenue; Reserve Funds; EF Class Enrollment; Safety Team Members by Year; Retro Refunds; etc.; kudos to Stacy Mullane for assisting with setting up this information on an Excel spreadsheet. D'Hondt noted that FLF historical figures will be added as the information becomes available.
- d. CTE Showcase – D'Hondt reported that the CTE Showcase event was a huge success; and, AGCWA will likely participate again next year. Twenty-five tiny shelters were built by students from 25 high schools; the winner was Rogers High School, Puyallup. All shelters will be taken to a north Seattle homeless location.

AGC Education Foundation Orientation - Executive Director Diane Kocer gave an overview of the Foundation. It was founded in 1980 by the AGC of Washington as a 501c3 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, high school 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 also receives \$80k from outside grants; has a \$4.2M endowment fund, plus \$994k in restricted funds. It was noted that AGC members receive a \$25 discount on classes (discounts are reimbursed to EdF by AGCWA). In 2014 AGCWA and the AGC Education Foundation renewed its partnering agreement, and in 2015 it established a 5-yr. Strategic Plan, which among other things, focuses on future workforce development. It was noted that the EdF offices have moved to the fourth floor with the former first floor space converted to classrooms. Foundation staff, in addition to Kocer, include Adrienne Woods and Dan Morris (full-time); and, Sarah Babcock, Jen Holmes, and Shelly Oberman (part-time).

**INTERACTIVE DISCUSSION/ACTION**

Financial Report – Controller Kelly Barber reviewed the financials for the month ended February 28, 2017. As of February 28, 2017, the preliminary Net Operating Income (NOI) equaled \$1.671mm vs. a year-to-date budget NOI of \$1.322mm creating a favorable year-to-date total budget variance of \$349k. The year-to-date positive revenue variance of \$275k combined with the positive expense variance of \$74k produced the total favorable year-to-date budget variance of \$349k. The year-to-date positive revenue variance of \$275k was from above budget revenue in most all revenue categories except Other Revenue/CAM. The year-to-date positive expense variance of \$74k was comprised of under budget expenses in most all expense categories except Event Expense. As of February 28, 2017, the AGC's 2017 annual forecast net operating income equaled \$265k vs. an annual budget net operating income of \$54k. The AGC Building's occupancy rate was 100% as of February 28, 2017.

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***Action: It was moved (Lang), seconded (Slattery), and carried to accept the February financials as presented.***

2016 AGC Audit Report – Controller Kelly Barber reviewed the 2016 audit report by The Doty Group, PS. Per Barber, the auditor's report and unmodified opinion stated AGC's financial statements present fairly, in all material respects, the financial position of AGC of Washington as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America. Several graphs from the audit results were presented showing revenue sources, functional expenses, total expense by department, historical revenues and investment balances.

AGC Reserves Allocation - Secretary/Treasurer Dawn Stephens reported that the Board of Trustees will be asked to review recommended AGC reserves allocation at the June 2 Board Retreat; current total reserves equal \$3.5M; the recommended amount will be a total up to \$3.9M). Controller Barber will send the Board (in advance of the retreat) appropriate materials (including how reserves are calculated per Board Policies, as well as recommended reserves allocation) after the Officers' review and recommendation on May 22). It was asked (Spencer) if the reserve amount could potentially come down? Stephens stated, yes, it is possible.

GAC Legislative Update – Chief Lobbyist Jerry VanderWood gave an updated Government Affairs update, which included:

- Thank you to GAC Chair Ross Pouley and past chair Gene Colin for their contributions on GAC; also, to the many members who visited and assisted in Olympia this year. The legislative session will close the end of April.
- Apprenticeship Utilization – dead
- Prevailing Wage – dead
- Mike M. Johnson – dead
- Workers Comp Reform – dead
- CTE Awareness Bill – alive
- \$1.1B school construction – capital budget – alive
- Subcontractor retainage bond bill – alive
- Capital Gains Tax – alive
- B&O Tax @ 20% - alive
- Spending a lot of time addressing: Family Leave; Sound Transit III passage and subsequent tax increases; Dept. of Ecology regulations; paid sick leave
- WSDOT partnering seminars were successful
- AGC BUILD PAC: \$194k raised this year compared to \$182k last year
- Special Election in the 45<sup>th</sup> District Senate Race; if Republican's lose, the Senate flips to Democrats

**CONSENT AGENDA**

February Summary Minutes

***Action: It was moved (Lang), seconded (Stephens), and carried to approve the February summary minutes as presented.***

March and April Membership Reports

***It was moved (Stephens), seconded (Imhof), and carried to approve the March and April Membership reports as presented (see below). Note: Members highlighted in yellow (below) paid their dues by April 15, 2017, and were not dropped for non-payment of dues.***

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**March Membership Report (Approved by Officers on March 13, 2017)**

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

**NEW MEMBERS**

**ASSOCIATES**

**Seattle District**

Dorsey & Whitney LLP, Seattle, WA  
KPF, Seattle, WA

**GENERAL CONTRACTORS**

**Seattle District**

Blue Marine, LLC, Seattle, WA

**SPECIALTY CONTRACTORS**

**Seattle District**

Perimeter Security Group, LLC, Coeur d'Alene, Idaho  
Traffic Management, Inc., Auburn, WA

**COMPANIES NOT RENEWING MEMBERSHIP**

**Associates**

Clark Nuber PS CPA's & Consultants – Seattle – Membership not included in budget  
Dependable Construction Supply, Inc. – Seattle – No reason provided  
GALLINA LLP – Seattle – Merged with CliftonLarsonAllen  
Nicholson Kovalchick Architects PS – Seattle – Not renewing Health Plan  
Pro-Vigil, Inc – Seattle – No reason provided  
Recology CleanScapes – Seattle – Main contact is no longer with co.  
Rhodes & Associates – Seattle – No reason provided  
Safety Dynamics – Seattle – Business Relocating Out of State  
The Jeffrey Group PLLC – Seattle – Business Closed  
American Institute of Steel Construction – Southern – No reason provided  
Dickson Law Group, PS – Southern – No reason provided  
Frontier Construction Supply, LLC – Southern – Merging with Foundation Specialists  
Tyler Rental – Southern – No reason provided

**General Contractors**

Pacific Civil & Infrastructure, Inc. – Seattle – No reason provided  
PCL Civil Constructors – Seattle – Closing office  
Seattle Construction Resources Inc – Seattle – Not renewing Health Plan  
A-Advanced Septic Services, Inc. – Southern – No reason provided  
Adolfson & Peterson Construction – Southern – Going out of Business  
Dulin Construction, Inc. – Southern – Going out of Business  
Northwest Rock – Southern – No reason provided  
Pacific Coast General, LLC – Southern – Going out of Business

**Specialty Contractors**

Northwest Plumbing Services, Inc. – Northern – Left Retro, not interested in membership  
The Erection Company Inc – Northern – Not renewing Health Plan  
Hammer Construction – Seattle – No reason provided  
Modern Sewer Corporation – Seattle – Closing business  
PSF Mechanical, Inc. – Seattle – No reason provided  
Retroseal USA Inc. – Seattle – Business Closed  
Tastad Construction, Inc. – Seattle – Main contact is no longer with co.  
Tube Art Group – Seattle – No reason provided  
Ventilation Power Cleaning – Seattle – Main contact is no longer with co.  
Michael Homchick Stoneworks – Southern – Not renewing Health Plan  
Redinger Inc. – Southern – No reason provided  
Secoma Fence, Inc – Southern – Not renewing Health Plan

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**Young Constructor**

Brent Swanson, RQ Construction – No longer participating in FLF

**Retro**

Sellers Masonry, Inc. – Inland NW – No longer participating in retro

**April 10 Membership Report**

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

**NEW MEMBERS**

**GENERAL CONTRACTORS**

**Seattle**

Hamilton Construction, Olympia, WA

Kraemer North America LLC, Plain, WI

Sage Management Group, Inc., Mill Creek, WA

Schuchart Corporation, Seattle, WA

Shimmick/Parsons JV, Oakland, CA

**YOUNG CONSTRUCTOR**

Pedro Rosales, Arquivision Northwest LLC

**NOT RENEWING MEMBERSHIP**

**Associate**

Columbia Ready Mix, Inc. – Associate – Central – Merged with non-member Oldcastle Materials

Evergreen Guard Services – Associate – Northern – no time to participate

Madden Industrial Craftsman, Inc. Washington – Seattle – No longer in retro

FTI Consulting – Seattle – Small team, working mainly out-of-state right now

**General Contractor**

Columbia Asphalt & Gravel, Inc. – Central – Merged with non-member Oldcastle Materials

**Specialty Contractor**

Puget Sound Plumbing and Heating – Specialty Contractor – Seattle – Not renewing Health Plan

**The following are member companies who have not paid their 2017 dues. If not paid by the April 15<sup>th</sup> deadline, per the AGC bylaws, they will become members not in good standing and will be expelled from membership:**

**Associates**

Bell-Anderson Agency, Inc. – Northern

AAR Testing Laboratory, Inc. – Seattle

Cadman, Inc. – Seattle

Collins Engineers, Inc. – Seattle

Ergon Asphalt & Emulsions Inc. – Seattle

Jackson Main Architecture, P.S. – Seattle

**Masonry Institute of Washington – Seattle (PAID)**

Pirtek Kent – Seattle

SeaTac Steel Mill & Recycling Services Co., an Edw. C.

Levy Company – Seattle

Teknotherm, Inc. – Seattle

Telogis – Seattle

Textura Corporation – Seattle

Vimocity – Seattle

Williams Scotsman – Seattle

Zurich Surety – Seattle

Enginuity Systems, LLC – Southern

Mercedes-Benz of Tacoma – Southern

**General Contractors**

**BOSS Construction, Inc. – Northern (PAID)**

Carlson Construction, Inc. – Northern

Clannadh – Seattle

CNC Diversified LLC – Seattle

Cascade Bridge, LLC – Southern

**Specialty Contractors**

Slabjack NW LLC - Seattle

Solutionz, Inc. – Seattle

Ball & Son Excavation, LLC – Southern

Ground Up Road Construction Inc. dba M&M Road

Recycle – Southern

**Lacey Glass, Inc. – Southern (PAID)**

**Omega-Morgan – Southern (PAID)**

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StructureWorks NW, LLC. – Southern

**Young Constructors**

Jay Townsend, PME Construction Corporation  
Joe Reynolds, Scott Coatings  
Ron Gettemy, Diamond Construction LLC  
Spencer Snorteland, Pacific West Construction

**OTHER BUSINESS**

***Amicus Brief*** – Legal Affairs Committee Chair Lindsay Taft reported that the Legal Affairs Committee would review (tomorrow) a request for AGC amicus participation by Oles Morrison Rinker & Baker LLP on behalf of client, Frank Coluccio Construction Co. in King County v. Frank Coluccio Construction Co. Per Taft, King County awarded Coluccio a contract for the North Creek Interceptor Sewer Improvement Project, which is located entirely in Snohomish County. Due to ground conditions encountered and reaching an impasse, Coluccio stopped work in Sept. 2016; mediation was scheduled in Dec. 2016; in the middle of mediation, King County commenced a lawsuit against Coluccio in King County Superior Court and a Notice of Default was given to Coluccio’s counsel during the mediation session; no settlement was reached. Per Taft, Coluccio then commenced an action against King County in Snohomish County Superior Court seeking declaratory relief and filed for a TRO preventing the County from terminating the contract for default. Prior to the TRO hearing, King County delivered its Notice of Termination for Default, which Snohomish County Superior Court Judge Downes ruled of no force or effect. This ruling was later dismissed based on Priority of Action Rule and the case was invited back upon the King County Superior Court’s determination of venue. Coluccio moved to have the case’s venue transferred to Snohomish County, but this motion was denied as well as Motion for Reconsideration, leaving the case pending in King County Superior Court. Coluccio filed a Notice of Discretionary Review and Motion for Discretionary Review of the venue ruling.

It is with respect to the Motion for Discretionary Review that Oles Morrison Rinker & Baker LLP on behalf of client Frank Coluccio Construction Co. seeks support from the AGC. No monies were requested.

***Action: It was moved (Grace), seconded (Slattery), and carried (provided the Legal Affairs Committee approves the support of this Amicus Brief), for the AGCWA to support the Amicus Brief participation by Oles Morrison Rinker & Baker LLP on behalf of client, Frank Coluccio Construction in King County v. Frank Coluccio Construction Co. in its Motion for Discretionary Review.***

**Announcements**

Apr. 18 Seattle District Membership Breakfast, 7:30 AM, Lake Union Courtyard Marriott  
May 3 Southern District Membership Mtg., 5 PM, Tacoma Country Club  
May 22 Seattle District Golf Tournament, Bear Creek  
May 25 Build Washington Awards, Museum of Flight, 5:30 PM  
June 2 Board of Trustees’ Retreat, AGC Conf. Center, 8:30 – 3:30 PM  
June 9 Central District Golf Tournament, Apple Tree Golf Resort, Yakima  
July 28 Southern District Golf & Field Day, Gold Mountain  
Aug. 18 AGC/AIA Golf Tournament, Avalon Golf Links, Bellingham

The meeting was adjourned at 1:30 PM.

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Dawn Stephens, Secretary/Treasurer