

**SUMMARY MINUTES  
AGC OF WASHINGTON  
BOARD OF TRUSTEES MEETING  
DECEMBER 8, 2014**

**BOARD MEMBERS PRESENT**

Paul Cressman Ahlers & Cressman, PLLC  
Ken Day Ness & Campbell Crane, Inc.  
Todd Kunzman Andgar Corporation  
Brent Levander Centennial Contractors Enterprises  
Brian Westerlund Veca Electric & Technologies  
Annie Lombroia Ashbaugh Beal  
Nancy Munro MidMountain Contractors, Inc.  
John Parker UNIMARK Construction Group LLC  
J. Schaufelberger UW College of Built Environments  
Mark Seaman J.R. Abbott Construction Inc.  
Glyn Slattery Lydig Construction, Inc.  
Gary Smith Lease Crutcher Lewis WA, LLC

**BOARD MEMBERS ABSENT**

Joe Simmons Joseph S. Simmons Construction, Inc.  
Delton Bonds Mountain States Const.Co  
Butch Brooks Brooks Construction Management  
Jake Jacobson Osborne Construction Company  
John Korsmo Korsmo Construction, Inc.  
Sharon Young Concord Construction, Inc.

**STAFF/GUESTS PRESENT**

John Ahlers Ahlers & Cressman  
Lindsay Taft Guest  
Greg Robinson Marshall & Sullivan  
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  
Lauren Gubbe AGC Group Retro  
Dave Kearby AGC of Washington  
Mandi Kime AGC of Washington  
Diane Kocer AGC of WA Ed. Foundation  
Sean Lewis AGC of Washington  
Doug Peterson AGC of Washington  
Dani Tijan AGC of Washington  
Jerry VanderWood AGC of Washington

**CALL TO ORDER**

First Vice President Gary Smith called the meeting to order at 4 PM.

**CONSENT AGENDA**

***Action: It was moved (Kunzman), seconded (Day), and carried to accept the October summary minutes. It was moved (Kunzman), seconded (Schaufelberger), and carried to accept the December Membership report as presented with the exception of Beaver Equipment (removed from report) who changed its mind regarding membership application.***

**Re: December 8 Membership Report**

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

**NEW MEMBERS**

**ASSOCIATE**

**Seattle District**

American Life, Inc., Seattle, WA  
Ergon Asphalt & Emulsions Inc., Jackson, MS  
Structured Solutions NW, Des Moines, WA  
Tec Equipment, Seattle  
Westlake Associates, Inc., Seattle, WA

**CONSTRUCTOR**

**Seattle District**

Clark Construction Group, LLC, Renton, WA

**INTRODUCTORY GENERAL CONTRACTOR**

**Seattle District**

CNC Diversified LLC, Woodinville, WA

**INTRODUCTORY SUBCONTRACTOR**

**Southern District**

Custom Controls Corporation dba Custom Electric & Controls, Fife, WA

**SUBCONTRACTOR**

**Central District**

Interstate Sawing & Drilling, LLC, Moxee, WA

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**WRITTEN REPORTS**

The following written reports were made available to the Board: district reports by the Central, Northern, Seattle and Southern districts; and, Property Committee report (copies attached to original meeting summary).

**ORAL REPORTS**

First Vice President's Report – First Vice President Smith reported on the following:

- Outgoing Board of Trustees' members included Past President Butch Brooks; Seattle District Rep. John Parker; Southern District Rep. John Korsmo, Jr.; Trustee Brian Westerlund; and Trustee Paul Cressman.
- Nominating Committee Report of the proposed 2015 slate of officers and board.
- 2015 Annual Convention update, which kicks off at the Four Seasons, 12 noon with a luncheon, followed at 1 PM with the Membership Meeting. The Membership Meeting will be followed by several break-out sessions, then dinner and program. The dinner's keynote speaker will be John Ratzenberger.

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

- Dick Bristow turned 75 yrs. young last week.
- Tim Attebery's Cougar's loss to the Husky's resulted in Attebery wearing Husky gear for a day!
- The Pension Protection Act, which added special funding rules for significantly underfunded multi-employer pension plans, expires at the end of this year, which per D'Hondt will wreak havoc if the Act is not at the very least extended. D'Hondt noted that members might be contacted by AGC of America regarding this issue and to please respond if emailed. AGCA is recommending continuation of the Pension Protection Act and enhancing its effectiveness in three main areas: changes/technical corrections to the PPA; provisions for deeply troubled plans; and, proposals to advance new and innovative plan designs.

AGC Investment Portfolio Review – Greg Robinson, Marshall & Sullivan, gave an updated report on AGCWA's portfolio. Robinson noted that his firm has been conservatively managing (per Board direction) AGCWA's monies for the past 10 years. Since the beginning of the year assets have grown from \$2.2M to \$2.3M. In the near future, Robinson advised that he would like to discuss with the Finance Committee increasing equities to 60% and decreasing fixed income to 40% instead of the current 50% - 50% ratio.

**INTERACTIVE DISCUSSION/ACTION**

Controller's Financial Report – Controller Kelly Barber reviewed the financials for the month ended October 31, 2014.

As of October 31, 2014, the Net Operating Income (NOI) equaled \$1.021M vs. a year-to-date budget NOI of \$318k creating a favorable year-to-date budget variance of \$703k. The year-to-date positive revenue variance of \$537k combined with the positive expense variance of \$166k produced the total favorable year-to-date budget variance of \$703k.

The year-to-date positive revenue variance of \$537k was primarily from above budget revenue in Retro Sponsorship, Membership Dues, and all other revenue categories except Program and Event revenue.

The year-to-date positive expense variance of \$166k was primarily comprised of under budget expenses in most expense categories except Insurance / Tax expense and Building expense.

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As of October 31, 2014, AGC’s 2014 annual forecast net operating income equaled \$787k versus an annual budget net operating income of \$15k. The building’s occupancy rate was 93% as of October 31, 2014. Per Barber that rate will increase slightly in November.

Kunzman questioned how the positive revenue will be handled. D’Hondt and Barber reported that it would be used to pay down debt and hopefully \$200k will go into the building savings account to be added to the \$200k currently there in the event of building emergencies like replacing the building’s boiler. It was noted that \$480k is still owed on a loan for the remodel of the AGC Conference Center and it would be nice to pay that down. D’Hondt stated that there is also \$45k in grandfathered PTO that might need to be cashed out to approximately 8 staff. Per D’Hondt, a more definitive response to the question should be available by the February, 2015 Board meeting.

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

Proposed 2015 Budget Review – Controller Kelly Barber reviewed the proposed 2015 operating and capital budgets for the Board. He reported that the only change from what was originally proposed at the November Board meeting was an update to reflect the amortized cost of the lease commissions paid for an office lease at the AGC Fife building; this resulted in a change of net income from operations from \$82k to \$78k.

**Action: It was moved (Parker), seconded, and carried to approve the proposed 2015 budget as presented.**

Proposed 2015 Legislative Priorities – Chief Lobbyist Jerry VanderWood recommended Board approval of the following 2015 Legislative Priorities. He noted that there has been little change from the previous priorities.

***PROPOSED* —AGC of Washington  
2015 LEGISLATIVE PRIORITIES**

**AGC WILL WORK FOR**

- A transportation revenue package sufficient to address critical preservation, safety and capacity needs.
- Rational and reasonable environmental and business regulation reforms.
- Essential infrastructure investment financing mechanisms.
- Rational and reasonable prevailing wage reforms.
- Workers’ Compensation system improvements.
- Tax simplification on construction activities.

**AGC WILL WORK AGAINST**

- Proposals that diminish funding for transportation or capital construction.
- Proposals that unreasonably increase business taxes, costs or regulations.
- Proposals that divert funds from dedicated programs to other unrelated purposes.
- Enactment of false claims legislation which affects public works construction.
- Public construction procurement methods which are not well vetted or do not have a consensus of support within the affected AGC contractor membership.
- Environmental proposals that impose unnecessary burdens on contractors which are not practical, or are not economically and technically feasible.
- Detrimental land use laws which make development efforts unreasonably difficult or costly.

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***Action: It was moved (Cressman), seconded (Lombroia), and carried to approve the above 2015 Legislative Priorities.***

VanderWood reported on the new Government Affairs Committee, chaired by Gene Colin; AGC's BUILD PAC, Jake Jacobson remains as chair, and 2013 past president Butch Brooks will be replaced by 2014 president Joe Simmons.

Evaluation of 2014 Board Meetings – Smith requested that Board members complete the 2014 Board survey at their earliest convenience and return to Dani Tijan dtijan@agcwa.com.

**NEW BUSINESS**

Proposed AGCWA/AGC Education Foundation Partnering Agreement - Second Vice President Nancy Munro, on behalf of the Officer Corps, reviewed and recommended approval of the following joint partnering agreement between AGC of Washington and the AGC Education Foundation:

**ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON AGC  
EDUCATION FOUNDATION PARTNERING AGREEMENT**

***Version: 12/2/2014***

**AGC of Washington Mission Statement:**

AGC of Washington is the premier professional association of contractors in the State of Washington, committed to enhancing the performance of our members, representing their interests, and building a better climate for construction.

**AGC of Washington Education Foundation Mission Statement**

Developing and promoting construction careers through quality education and training.

In consideration of the long lasting and mutually beneficial relationship between the Associated General Contractors of Washington (AGC) and the Associated General Contractors of Washington Education Foundation (AGCEF) and in recognition that the AGC is the affiliated sponsor of the AGCEF, the two organizations establish these guidelines concerning their relationship:

**AGC and the AGCEF will work jointly toward the following ends:**

1. Supporting and recognizing each other as leaders and vital partners in recruiting, educating, and retaining a diversity of qualified workers primarily for AGC members.
2. Seeking feedback from AGC members and other construction professionals on industry education needs and the quality of existing programs offered by the AGCEF.
3. AGC and AGCEF annual and strategic planning efforts, including at least two joint meetings each year of the AGC officers, the AGCEF Executive Committee, and the Executive Vice President of the AGC and the AGCEF Executive Director; one during the AGC budgeting process and one during the AGCEF budgeting process.
4. Marketing and fundraising for AGCEF operations, scholarships, and endowments.
5. Employ and administer their staffs under the same office policies and employee retirement program. Changes to the policies and programs will be coordinated between the two organizations.

**AGC will provide the following support to the AGCEF without charge:**

1. Appoint up to four AGC board members to the AGCEF board, one of whom will also serve as a voting member of the AGCEF Executive Committee.

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2. Appoint the AGC Executive Vice President as an ex officio member of the AGCEF Executive Committee.
3. Training facilities in the Seattle District Office Building and Southern District Office Building that will include a meeting space large enough to accommodate reasonable meetings, classes and seminar attendance loads.
4. Office space including related accounting and office support in the AGC office.
5. Continued, mutually agreed upon, financial support each year to support AGCEF staffing, programs and services to the construction industry. The Foundation will work cooperatively with the AGC to develop work plans and briefing material to support funding levels for approval during the AGC annual business planning and budget processes. An annual review of the partnering agreement will also occur at this time.
6. Incidental office support such as the use of kitchen/lavatory facilities, utilities, general reception functions, etc.
7. Full electronic connection with AGC departments through email, telephone and other voice/data means as the AGC may employ.
8. Access to the AGC roster and mailing lists.
9. Publicity in AGC publications, at meetings and elsewhere as appropriate.

**The AGCEF will provide the following:**

1. Up to four positions on the AGCEF board for AGC of Washington board members. This will include two positions on the AGCEF Executive Committee for the AGC appointed member (voting position) and Executive Vice President (ex officio).
2. Training opportunities to all AGC districts. The Foundation, with the AGC, will seek every opportunity to improve and expand its educational offerings for the construction industry. Consideration will be given to providing these training opportunities even when the cost of doing so exceeds the income.
3. Free training opportunities for AGC staff.
4. Education program/industry research and development
5. A workforce development program which focuses on the local school districts' higher education and universities, governments, and our industry as an effective tool in promoting careers in the construction industry.
6. Maintain its Internal Revenue Service status as a 501c (3) organization.
7. Support the AGC's plans for increasing diversity within the industry and within the AGC membership.
8. Employ an Executive Director who is supervised by the AGCEF Executive Committee/Board. The Executive Director, as empowered by the AGCEF Executive Committee, will employ and supervise such staff as necessary to carry out AGCEF programs.

Munro reported that the key change (since 1999) is the participation by the AGCWA Board of Trustees on the Executive Committee. It was noted that, if approved by AGCWA and AGC EdF Boards, the partnering agreement will require some tweaking of the AGC EdF bylaws. Also noted was that funding will be reviewed annually.

***Action: It was moved (Seaman), seconded (Day), and carried to approve the AGCWA / AGC EdF Partnering Agreement as presented above. It was noted that the AGC EdF Board will vote to approve the partnering agreement Wednesday of this week.***

***Ahlers & Cressman Recommendation Regarding Disadvantaged Business Enterprise (DBE) "Goal and Eligibility" Changes*** - John Ahlers, Ahlers & Cressman, and contractor representative Lindsay Taft reported on their concerns regarding a recent study by WSDOT to determine if women were still disadvantaged; the

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study determined that women are no longer disadvantaged. Ahlers and Taft expressed concern over future public works projects where there are DBE goals and trying to meet those goals without women contractors.

It was reported that litigation is being considered and AGCWA was asked to contribute \$20k if a lawsuit develops.

***Action: First Vice President Smith advised that this issue would be turned over to the Legal Affairs Committee for their review and recommendation, followed by Board of Trustees' review / action.***

Announcements –

Dec. 9	Central District holiday open house, Yakima, Mickey's Pub & Orion Theater, 6:30 – 8:30 PM
Dec. 17	Central District holiday social, Wenatchee, Chateau Faire le Pont Winery, 4 PM
Jan. 8	AGC/WSDOT Annual Mtg., Tacoma Elks Lodge
Jan. 23	Annual Convention, Seattle Four Seasons, 1 PM Membership Mtg.
Feb. 16	Board of Trustees mtg., 11 AM – 1:30 PM, AGC Conference Center

The meeting was adjourned at 5:05 PM. Everyone was encouraged to attend the Seattle District's Holiday Open House; it was noted that many public officials would be in attendance.

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Mark Seaman, Secretary/Treasurer

Date