

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
DECEMBER 7, 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
Annie Lombroia	Ashbaugh Beal
Brent Levander	Centennial Contractors Enterprises
Paul Mayo	Flatiron Constructors, Inc.
Nancy Munro	MidMountain Contractors, Inc.
Jim Rowley	Howard S. Wright, Balfour Beatty Co.
Mark Seaman	J.R. Abbott Construction Inc.
Joe Simmons	Joseph S. Simmons Construction, Inc.
Glyn Slattery	Lydig Construction, Inc.
Mickey Traugutt	Washington Patriot Construction LLC
Sharon Young	Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds	Mountain States Const.Co
J. Schaufelberger	UW College of Built Environments
Gordon Spencer	Teknon Corporation

STAFF/GUESTS PRESENT

David D'Hondt	AGC of Washington
Ian McFarland	University Mechanical Contrs., Inc.
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Richard Bristow	AGC of Washington
Liz Evans	AGC of Washington
Paula Jackson	AGC of Washington
Dave Kearby	AGC of Washington
Mandi Kime	AGC of Washington
Dani Tijan	AGC of Washington
Jerry Dinndorf	AGC of Washington
Michele Willms	AGC of Washington

CALL TO ORDER

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 November summary minutes. It was moved (Levander), seconded (Slattery), and carried to accept the December Membership report as presented.

Re: December 7, 2015 Membership Report

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

NEW MEMBERS

ASSOCIATE

Northern District

Rice Insurance LLC,

Seattle District

Jackson Main Architecture, P.S.
Marston Legal, PLLC

Southern District Contour

Engineering LLC

GENERAL CONTRACTOR

Seattle District

Mietzner Home Builders LLC

INTRODUCTORY GENERAL CONTRACTOR

Northern District

Carlson Construction, Inc.

SUBCONTRACTOR Southern

District Valley Furnace Inc

REINSTATEMENT

Subcontractor

Lacey Glass – Southern – was dropped from membership by the Board of Trustees at their October meeting. The member has requested a reinstatement and paid the dues.

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NOT RENEWING MEMBERSHIP

Associate

Ater Wynne – Seattle – No presence in Washington State

Constructor

Eastside Corridor Constructors – Seattle – company is no longer in business

WRITTEN REPORTS

The following written reports were presented to the Board: district reports from the Central, Northern, Seattle, and Southern districts; and, committee reports from the Federal Facilities, Public Works, and State Facilities (copies attached to original summary minutes). Seattle District Manager Jerry Dinndorf reported that the Federal Facilities Committee, which met once in 2015, is in need of a chair and asked anyone interested to please see him.

ORAL REPORTS

President's Report – President Smith thanked the following outgoing Officers and Board members for their valued time and participation in the association over the years:

- Joe Simmons, Immediate Past President
- Mark Seaman, Secretary/Treasurer (7 yrs.)
- Todd Kunzman (3 yrs.)
- Ken Day (3 yrs.)
- John Schaufelberger (4 yrs.)

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

- ELC Winter Board Meeting – it was reported that AGCA has scheduled a series of presidential candidate calls to Ben Carson, Hillary Clinton, Carly Fiorina, Mike Huckabee, Bernie Sanders and Donald Trump, wherein members only have the opportunity to speak with and hear them discuss their presidential campaigns.
- FAST Act Passage – it was reported that during the past 20 months, AGC members have generated more than 25,000 letters to Congress urging passage of a long-term highway and transit bill through Hardhats for Highways.
- EPA Water Regulations – it was reported that AGCA has 14 full-time lobbyists dealing with many issues including recent Water Regulations the EPA was hoping to pass; they are holding back for now on this issue.

First Vice President's Report – Nancy Munro gave an updated report on the Chapter's upcoming Annual Convention, which will be held January 29, 2016, at the Bellevue Hyatt. D'Hondt encouraged patience with registration as AGC works out some minor issues with its new database.

AGC Investment Portfolio Review – In the absence of Greg Robinson, Controller Kelly Barber gave an overview of AGC's investment portfolio noting an overall 5% average return on investments. The Asset Class breakdown in stock, bonds, cash and their current value as of this review was:

U.S. Equities	\$728,860
Small Capitalization	\$294,910
International	\$179,437
Emerging Markets	\$41,869
Fixed Income	\$957,485
Cash & Equivalents	\$147,058

INTERACTIVE DISCUSSION/ACTION

Controller's Financial Report – Controller Kelly Barber reviewed the financials for the month ended October 31, 2015. As of October 31, 2015, the Net Operating Income (NOI) equaled \$1.087M vs. a year-to-date budget NOI of \$381K creating a favorable year-to-date budget variance of \$706K. The

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year-to-date positive revenue variance of \$521K combined with the positive expense variance of \$185K produced the total favorable year-to-date budget variance of \$706K.

The year-to-date positive revenue variance of \$521K was primarily from above budget revenue in Retro Sponsorship Fees, Membership Dues, and Other Rent Revenue along with all other revenue categories.

The year-to-date positive expense variance of \$185K was primarily comprised of under budget expenses in most expense categories except for Consultant Fees, Membership Dues / Donations and Event expense.

As of October 31, 2015, AGC's 2015 annual forecast net operating income equaled \$727k versus an annual budget net operating income of \$78k. The building's occupancy rate was 100% as of October 31, 2015.

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

Proposed Bylaws' changes – On behalf of the Officers, President Smith recommended the following bylaws' changes:

- Change name of a "subcontractor" member to that of a "specialty contractor" member to be in line with AGC of America current practice.

Action: After some discussion, it was moved (Kunzman), seconded (Traugutt), and carried to approve this bylaws' change and to recommend approval (per bylaws) by the general contractor members present at the Annual Membership Meeting on January 29, 2016.

- Allow for electronic invoicing of membership dues.

Action: After some discussion, it was moved (Mayo), seconded (Simmons), and carried to approve this bylaws' change and to recommend approval (per bylaws) by the general contractor members present at the Annual Membership Meeting on January 29, 2016.

- Add one FLF representative to the AGC Board to be selected annually by the Future Leaders Forum Steering Committee.

Action: After some discussion, it was moved (Simmons), seconded (Smith), and carried to approve this bylaws' change and to recommend approval (per bylaws) by the general contractor members present at the Annual Membership Meeting on January 29, 2016.

- Allow for a minor membership dues billing verbiage change to be in line with current practice.

Action: After some discussion, it was moved (Traugutt), seconded (Kunzman), and carried to approve this bylaws' change and to recommend approval (per the bylaws) by the general contractor members present at the Annual Membership Meeting on January 29, 2016.

All above recommended bylaws' changes follow (in excerpts from AGC of Washington Bylaws):

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ARTICLE 3—MEMBERSHIP
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3.4 Classes of Membership
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- (b) An Introductory Contractor Member may be an individual, firm, or corporation engaged in the construction business as a general contractor or ~~subcontractor~~ **specialty contractor** who is not, nor has been, during the previous three years, a member of this Chapter.....

Introductory Contractor Members shall transfer to General Contractor Membership or ~~Subcontractor~~ **Specialty Contractor** Membership when qualified.....

- (d) An AGC ~~Subcontractor~~ **Specialty Contractor** Member is an individual, firm, or corporation which, by agreement with another party, undertakes to execute work on some portion of a construction contract and who executes such work in whole or in part with its own construction forces; who has been established in business regularly.

- (h) A Retro Member is any General Contractor, ~~Subcontractor~~ **Specialty Contractor**, or Associate.....

- (i) Young Constructor Members shall be individuals who are entering or developing careers in construction management with non-member firms. An individual may hold such a membership in the Chapter only during the first fifteen years that follow the date on which the individual begins to serve the construction industry in such capacity. Young Constructor Members shall be allowed to participate in the Future Leaders Forum (FLF) as well as other AGC of Washington events and committees; however, the member shall not be allowed to chair an AGC of Washington committee, or task force, **or serve as an FLF representative [Art. 5.2(g)] on the AGC Board of Trustees.**

3.7 Resignation and Expulsion of Members

- (e) National and local AGC annual dues billing shall be in accordance with Article 13. National and local dues are delinquent if not paid by January 15. If dues are not paid within 90 days after ~~billing~~ **invoice due date**, such member will be considered no longer in good standing, all voting rights and AGC services will terminate, and expulsion will be considered by the Board.

ARTICLE 5—ADMINISTRATION AND ORGANIZATION

5.2 Board of Trustees

The affairs of the Chapter shall be conducted regularly by a Board of Trustees herein sometimes referred to as the trustees. The trustees shall have full authority to act on all matters of business except as described in Article 7, but they shall not have the authority to revise these Bylaws, that being the responsibility of the General Contractor Members. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees. Unless otherwise stated in these Bylaws, trustees shall be elected for not more than three consecutive one-year terms.

The Board of Trustees shall be composed of:

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- (a) The Chapter officers
- (b) The immediate past president
- (c) One representative designated by each of the Chapter’s districts. A minimum of two of these representatives shall be General Contractor members.
- (d) Four general contractor members
- (e) Two ~~subcontractor~~ **specialty contractor** members
- (f) Two associate members
- (g) **One representative appointed by the Future Leaders Forum (FLF) Steering Committee, who is actively participating in FLF meetings/events, is less than 36 years of age, and is employed by a member company**
- (h) One non-member appointed by the president

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ARTICLE 6—ELECTIONS
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6.2 The Nominating Committee shall nominate one General Contractor Member for each of the following officer positions: President, First Vice-President, Second Vice-President. They shall nominate one General Contractor or ~~Subcontractor~~ **Specialty Contractor** Member for the officer position of Secretary/Treasurer. They shall also nominate one General Contractor, ~~Subcontractor~~ **Specialty Contractor** or Associate Member for each elected trustee position as provided in Article 5.2, except for District representatives who are selected by the District. They shall attempt to nominate to trustee positions, members from the geographical diversity of the Chapter to insure a balanced Board and to achieve the mandated balance of general and ~~subcontractor~~ **specialty contractor** trustees.

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ARTICLE 13—DUES
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13.2 General Contractor and ~~Subcontractor~~ **Specialty Contractor** Members shall pay dues to the Chapter on a volume basis to be established from time to time by the membership.....

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13.5 National and local AGC dues billing for all membership classifications shall be mailed **or electronically mailed** no later than November 15 and are due by January 15.

National and local dues not paid by January 15 are considered delinquent. Dues not paid within 90 days of ~~billing~~ **invoice due date** will be cause for such member to be expelled from AGC membership.....

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ARTICLE 14—AGC OF AMERICA
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14.3 The Chapter shall collect national dues from each General Contractor Member, Introductory Contractor Member, ~~Subcontractor~~ **Specialty Contractor** Member, and Associate Member and forward to the national Chapter

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(Per Article 15—Amendment of Bylaws, 15.1, “These Bylaws may be amended only by a two-thirds vote of the General Contractor Members at a Chapter meeting.”)

Board Policy 25 – The Officers recommended Board approval of a new Board Policy:

Board Policy 25 – Ethical Conduct

Current AGC policies require that AGC Officers, directors, employees and volunteer representatives observe high standards of business and personal ethics in the performance of their duties and responsibilities. Each employee and volunteer representative of AGC is expected to practice honesty and integrity in fulfilling his/her AGC responsibilities. AGC has an open door policy and everyone, including all employees and volunteer representatives should report concerns about suspected ethical and/or legal violations to the AGC’s Compliance Officer (currently the AGC Secretary/Treasurer) or the President.

Action: It was moved (Mayo), seconded, and carried to approve Board Policy 25 – Ethical Conduct as presented above.

Proposed 2016 Legislative Priorities – Government Relations Associate Michele Willms reviewed the updated 2016 Legislative Priorities, as follows. It was noted that more monies will be designated toward public trust funds and workforce development in 2016:

2016 LEGISLATIVE PRIORITIES

AGC WILL WORK FOR

- Protection of the transportation funding priorities established in the 2015 new revenue package for transportation.
- Rational and reasonable environmental and business regulation reforms.
- Proposals to increase funding for capital construction -- particularly, restoration of the Public Works Trust Fund.
- Rational and reasonable prevailing wage reforms.
- Workers’ Compensation system improvements.
- Tax simplification on construction activities.
- Programs and opportunities that increase and improve the construction-industry workforce.

AGC WILL WORK AGAINST

- Proposals that unreasonably increase business taxes, costs or regulations.
- Proposals that divert funds from dedicated programs to other unrelated purposes.
- Any legislative proposals that seek to divert 18th amendment protected revenues to other government programs.
- 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

D’Hondt reported that contract lobbyist Duke Schaub will retire May, 2016; he also noted that great effort was placed by Schaub, staff, and members in getting and keeping a transportation package.

Action: It was moved (Day), seconded (Mayo), and carried to approve the 2016 Legislative Priorities as presented.

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Proposed 2016 Operating & Capital Budget – Controller Kelly Barber reviewed the proposed 2016 operating and capital budgets for the Board. He noted the only change from the November Board meeting is an additional \$30k in TI's for Starbucks.

Action: It was moved (Mayo), seconded (Day), and carried to approve the 2016 Operating and Capital Budget as presented.

OTHER BUSINESS

Announcements

December 7	Board of Trustees' meeting, AGC Conference Center, 4-5 PM Seattle District Holiday Open House, Harborside, 5 PM
December 8	Central District Holiday Social, Yakima, 6-9 PM
December 15	Central District Holiday Social, Wenatchee, 5-7 PM
December 17	Northern District Holiday Social, Rock & Rye Oyster House, Bellingham, 5-6:30 PM
January 29	AGCWA Convention, Bellevue Hyatt
February 15	Board of Trustees' Mtg., 11 AM – 1:30 PM, AGC Conference Center

Seattle District Manager Jerry Dinndorf encouraged attendance at the Seattle District's Holiday Open House. He reported that the following public officials planned to attend: Senator Pam Roach, Senator Hasegawa, Rep. Tana Senn, Snohomish County Councilman Terry Ryan, Port of Seattle Commissioner and gubernatorial candidate Bill Bryant, Port of Seattle Commissioner John Creighton, among many others. Dinndorf encouraged attendees to take advantage of this opportunity to introduce themselves to the guests.

Safety Director Mandi Kime reported that the next Safety Forum would be held Jan. 7, on the topic of suicide prevention.

Michele Willms reported that the WSDOT Annual Meeting takes place Jan. 7 at the Tacoma Elks Club.

President Smith encouraged everyone to take advantage of a new safety handbook, which AGC and CWU collaborated on; it is available online.

D'Hondt reported that the AGC Conference Center is being revamped in January to allow for video conferencing; it should be available for use at the February Board meeting.

President Smith said his farewells since this was his last Board meeting in which he would preside over as President. He thanked the Board, Officers and staff for their development of the Strategic Plan and stated the AGC would be in a great place with Nancy Munro at the helm next year. D'Hondt thanked Smith for his great leadership.

There being no further business to come before the Board, the meeting adjourned at 4:55 PM.

Mark Seaman, Secretary/Treasurer

Date