

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
DECEMBER 14, 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.
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
Dawn Stephens Charter Construction, Inc.
Sharon Young Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds Mountain States Const. Co
Jake Jacobson Osborne Construction Company
Chris Lang Fisher Construction Group

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
Greg Crisostomo AGC of Washington
Jerry Dinndorf AGC of Washington
Liz Evans AGC of Washington
Sonja Forster AGC of Washington
Paula Jackson AGC of Washington
Diane Kocer AGC Education Foundation
Mandi Kime AGC of Washington
Andrew Ledbetter AGC of Washington
Sean Lewis AGC of Washington
Doug Peterson AGC of Washington
Dani Tijan AGC of Washington
Jerry VanderWood AGC of Washington

CALL TO ORDER

President Nancy Munro called the meeting to order at 4:05 PM.

CONSENT AGENDA

September Summary Minutes

Action: It was moved (Smith), seconded, and carried to accept the November summary minutes as presented.

December Membership Report

It was moved (Slattery), seconded (Mayo), and carried to accept the December Membership report as presented (see below).

Re: December Membership Report

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

NEW MEMBERS

ASSOCIATES

Seattle District

Vimocity, Seattle, WA

Southern District

Leavitt Group NW, Tacoma, WA

GENERAL CONTRACTORS

Seattle District

Combined Construction, Inc., Mukilteo, WA

Sealaska Government Services, Seattle, WA

YOUNG CONSTRUCTORS

Philip Lee

Morgan Stanley

206.628.4872

Sarah Smith

Anderson Construction Group

206.329.2878

WRITTEN REPORTS

Action: It was moved, seconded, and carried to accept the Central, Northern Seattle, and Southern district written reports as presented. It was also moved (Mayo), seconded, and carried to accept the Environmental, Federal Facilities, HR, Open Shop, Property, Public Works, and State Facilities written reports as presented (copies attached to original minutes).

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ORAL REPORTS

FLF Report – FLF Representative to the Board, Jessica Scarsella, gave an updated report on the Future Leadership Forum:

- New FLF Steering Committee formed with Krissy Dreher (McKinstry Co.), Chair; Members include: Patrick McQueen, Shannon Benya, Sarah Cox, Jaci Hayden, Brian Gray, John Schmidt, Jarrett Haynes, Ashley Praetorius, Brett Himes, JB Gibson, Jeff Christianson, Josiah Mooi, Melia Preedy, Adrienne Woods, AGC Student Chapter representatives from CWU and UW; and, Andrew Ledbetter is the staff representative.
- Recently completed 2016 philanthropy project to renovate Treehouse's Wearhouse.

President's Report – President Munro recognized the following outgoing Board members:

- Immediate Past President Gary Smith
- Trustees Delton Bonds, Brent LeVander, Annie Lombroia; and non-member Trustee Bill Bender.

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

- Introduced Sonja Forster, newly hired Seattle District Manager, who will replace Jerry Dinndorf when he retires the end of January.
- AGC of America – D'Hondt was optimistic that Trump would follow suit with the Bush Administration in creating an Executive Order to eliminate government mandated PLA's, so those contractors receiving federal funding could "voluntarily" use PLA's or not.
- Steve Sandherr will be a guest speaker at the January 27 AGCWA Convention.
- Mandi Kime and D'Hondt to pursue the sale of Safety Team rights to AGCA in February.
- BuildWashington.com update – D'Hondt thanked Sean Lewis for getting the BuildWashington.com website up and running (in collaboration with the Inland Northwest and partnership with Construction Center of Excellence. A job board is being added (both union and open shop jobs will be posted); a soft opening is anticipated on January 11, that will include a webinar on free job postings and a grand opening is planned for February 7; followed by an advertising campaign (bumper stickers, billboards, etc.) seeking funding for construction technical education in the next legislative session.
- Seattle Vocational Institute (SVI): D'Hondt sought Board approval of \$1,500 in \$50 gift cards for SVI students who volunteered at the recent KCCCD event.

Action: It was moved (Rowley), seconded (Smith) to approve \$1,500 from the Board Contingency Fund for \$50 gift cards to the SVI students that volunteered at the 2016 KCCCD event.

- AGCWA Convention will be held Friday, January 27, at the Bellevue Hyatt, starting with an 11:30 AM legislative luncheon with guest speaker Steve Sandherr, followed by the Annual Membership Meeting (installation of officers/board), then AGC Talks, and, the evening keynote address by Stanford Professor Vivek Wadhwa.

INTERACTIVE DISCUSSION/ACTION

Financial Report – Controller Kelly Barber reviewed the financials for the month ended October 31, 2016. As of October 31, 2016, the preliminary Net Operating Income (NOI) equaled \$1,420k vs. a year-to-date budget NOI of \$522k created a favorable year-to-date total budget variance of \$898k. The year-to-date positive revenue variance of \$567k combined with the positive expense variance of \$331k produced the total favorable year-to-date budget variance of \$898k. The year-to-date positive revenue variance of \$567k was from above budget revenue in all revenue categories. The year-to-date positive expense variance of \$331k was comprised of under budget expenses in most all expense categories. As of October 31, 2016, the AGC's 2016 annual forecast net operating income equaled \$1,114k versus an

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annual budget net operating income of \$179k. The AGC Building's occupancy rate was 100% as of October 31, 2016.

Action: It was moved (Stephens), seconded (Mayo), and carried to accept the October financials as presented.

Proposed 2017 Legislative Priorities

Chief Lobbyist Jerry VanderWood recommended Board approval of the following proposed 2017 Legislative Priorities:

2017 Legislative Priorities

AGC Will Work For:

- Workers' Compensation system improvements.
- Programs and opportunities that increase and improve the construction-industry workforce.
- Protection of the transportation funding priorities established in the 2015 new revenue package for transportation.
- Rational and reasonable environmental and business regulation reforms, including a legislated remedy to *Mike M Johnson* Supreme Court case.
- Proposals to increase funding for capital construction – particularly, restoration of the Public Works Trust Fund.
- Rational and reasonable prevailing wage reforms.
- Tax simplification on construction activities.

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.

Action: It was moved (Mayo), seconded (Slattery), and carried to approve the above proposed 2017 Legislative Priorities as presented.

Proposed 2017 Operating & Capital Budget – Controller Kelly Barber reviewed the proposed 2017 operating and capital budgets for the Board. It was noted that the consolidated 2017 proposed operating budgeted revenue totaled \$6,630,093, an increase from 2016 budgeted revenue of \$176,774; 2017 budgeted expense totaled \$6,576,506, an increase from 2016 budgeted expense of \$302,595; with a \$53,587 budgeted net operating income for 2017. 2017 proposed Capital Property and Equipment budget totaled \$705,000 compared to \$718,000 for 2016.

Action: It was moved (Mayo), seconded (Slattery) and carried to approve the above proposed 2017 Operating and Capital Budget.

Legislative Update – Chief Lobbyist Jerry VanderWood gave an updated legislative report. He reported that Washington State was virtually a status quo with Inslee winning the Gubernatorial Race over Bryant.

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VanderWood distributed a list of 2017 anticipated legislation and regulations that includes AGCWA support for:

- Transportation Funding
- Public Private Partnerships
- Public Works Trust Fund
- School Bonds (to lower the 60% threshold to 50%)
- Environmental Clean-up
- Career Technical Education (expand funding for programs that expand the number of young people entering the construction industry)
- Construction Career Awareness
- Workers' Comp Benefit Accuracy
- Workers' Comp Reforms
- WMBE – monitor
- Independent Contractor (legislation that modifies the “seven-part test.”
- Mike M. Johnson
- Regulatory Reform (legislation to provide greater legislative oversight over agency rules)
- Small Works Roster (increasing the max dollar thresholds for small from \$300k to \$500k and limited public works from \$35k to \$150k bidding processes; and allow contracting agencies to waive the retainage requirement.
- Bond Waivers
- Growth Management Act
- Vesting
- Hirst Decision (legislation to reverse it)
- ESPC – (support and monitor)

2017 anticipated legislation and regulations that AGCWA opposes:

- Initiative 869
- Prevailing Wage (limit to labor performed at the site of work (support) & Stratified random sampling for surveys rather than current blanket survey method (support).
Prevailing wage set as Collective Bargaining Agreement rates (oppose) & Applying prevailing wage to private projects that receive some sort of public assistance (oppose).
- Certified payrolls
- Paid Family Leave (changing it to at least part employer-paid)
- Sick Leave (will be working on L&I on implementation mechanisms that are as workable as possible, plus AGC may want to consider legislation to exempt construction from the sick leave provisions.
- Taxes (proposals for a capital gains tax, elimination of the non-resident sales tax exemption, bottled water tax, carbon-tax-for-education, etc.)
- Prequalification
- Bid Listing (that the building envelope subcontractor be identified as part of the bid for public works construction projects expected to cost over \$1 M.
- Hydraulic Permit Application
- Solid Waste Handling
- Carbon

Evaluation of 2016 Board Meetings

Board members were asked to complete two separate surveys evaluating 2016 Board Meetings and to send responses to Dani Tijan as soon as possible.

OTHER BUSINESS

Announcements

Dec. 15 Central District Holiday Social, Wenatchee
Jan. 27 AGC of Washington Convention, Bellevue Hyatt
Feb. 13 Board of Trustees' Mtg., 11 AM – 1:30 PM, AGC Conference Center

The meeting was adjourned at 5 PM.

Dawn Stephens, Secretary/Treasurer