

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
FEBRUARY 10, 2014**

BOARD MEMBERS PRESENT

Joe Simmons	Joseph S. Simmons Construction, Inc.
Butch Brooks	Brooks Construction Management
Paul Cressman	Ahlers & Cressman, PLLC
Ken Day	Ness & Campbell Crane, Inc.
Jake Jacobson	Osborne Construction Company
John Korsmo	Korsmo Construction, Inc.
Todd Kunzman	Andgar Corporation
Brent Levander	Centennial Contractors Enterprises
Annie Lombroia	Ashbaugh Beal
Nancy Munro	MidMountain Contractors, Inc.
John Parker	UNIMARK Construction Group LLC
J. Schaufelberger	UW College of Built Environments
Glyn Slattery	Lydig Construction, Inc.
Gary Smith	Lease Crutcher Lewis WA, LLC
Sharon Young	Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds	Mountain States Const.Co
Mark Seaman	J.R. Abbott Construction Inc.
Brian Westerlund	Veca Electric & Technologies

STAFF/GUESTS PRESENT

Bob Marconi	Ashbaugh Beal
Aaron Thomson	Ashbaugh Beal
David D'Hondt	AGC of Washington
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Richard Bristow	AGC of Washington
Jerry Dinndorf	AGC of Washington
Liz Evans	AGC of Washington
Greg Crisostomo	AGC of Washington
Randy Guzman	AGC of Washington
Paula Jackson	AGC of Washington
Mandi Kime	AGC of Washington
Diane Kocer	AGC of WA Ed. Foundation
Lauren Gubbe	AGC Group Retro
Stacy Mullane	AGC of Washington
Doug Peterson	AGC of Washington
Chuck Quick	AGC of Washington
Dani Tijan	AGC of Washington
Jerry VanderWood	AGC of Washington

CALL TO ORDER

President Joe Simmons called the meeting to order at 11:05 a.m.

BOARD ORIENTATION

Bob Marconi and Aaron Thomson with Ashbaugh Beal spoke to the Board about statutory and fiduciary responsibilities as trustees of the Association. They stressed what a great organization AGCWA is with its committed leadership and great staff. Marconi encouraged trustees to attend meetings, become familiar with governing documents (bylaws, policies of the Board), be punctual, come prepared, ask questions, stay informed, debate issues, and “serve in good faith, in a manner such trustee believes to be in the best interest of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in like position would use under similar circumstances,” -- pursuant to RCW.24.03.127 (Duties of a Director of a Nonprofit Corporation). It should be noted that, per Chapter Bylaws, Board members are indemnified to the fullest extent of the law. Board members were requested to read, sign, and turn in the “Responsibilities of the Board of Trustees Pledge” and “Conflict of Interest” forms.

Board of Trustees & Staff Self-Introductions – Board members and staff introduced themselves.

CONSENT AGENDA

Action: It was moved (Day), seconded (Brooks), and carried to accept the December summary minutes and, the February 10 Membership report, as follows:

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

NEW MEMBERS

ASSOCIATE

Northern District

Andrews & Associates Construction Consulting Services, LLP, Blaine, WA 98230

Seattle District

Industrial Bolt & Supply, Inc., Auburn, WA 98001

K-Solutions Law , Bellevue, WA 98005

Pro-Vigil, Inc, San Antonio TX 78217

Stuart Silk Architects, Seattle, WA 98103

Team Tube LLC, Kent, WA 98032

Teknotherm, Inc., Seattle, WA 98107

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Southern District

Dwyer Pemberton & Coulson, P.C., Tacoma, WA 98421
Jesse Engineering Co., Tacoma, WA 98422
Sadlier Enterprises, Inc. dba Johnstone Supply, Tacoma, WA 98402
Tacoma Diesel & Equipment Inc., Fife, WA 98424

GENERAL CONTRACTOR

Southern District

Edge West LLC, Port Orchard, WA 98366

INTRODUCTORY GENERAL CONTRACTOR

Seattle District

Carlisle Classic Homes, Seattle, WA 98103
Green Canopy Homes, Seattle, WA 98108
LZL Construction, Inc., Bothell, WA 98011

Southern District

Vet Industrial, Inc., Bremerton, WA 98312

INTRODUCTORY RETRO GENERAL CONTRACTOR

Seattle District

Clannadh, Redmond, WA 98053

Southern District

Adolfson & Peterson Construction, Tacoma, WA 98424

INTRODUCTORY SUBCONTRACTOR

Seattle District

Sno Valley Process Solutions, Everett, WA 98201

Southern District

Ballard Marine Construction, Washougal, WA 98671
Precision Electric of WA, Vancouver, WA 98665
Western Partitions, Inc., Sumner, WA 98390

SUBCONTRACTOR

Central District

TD Excavating LLC, North Bend, WA 98045

Seattle District

Associated Underwater Services, Kenmore, WA 98028
Mode Construction, Seattle, WA 98109
Slabjack NW LLC, Issaquah, WA 98027

NAME CHANGE: Canam Steel is now known as SunSteel, LLC

President Simmons and Executive Vice President Dave D'Hondt gave major credit to AGC's United Healthcare Plan for the recent influx of new members.

WRITTEN REPORTS

The following written reports were made available to the Board: district reports by the Central, Northern, Seattle and Southern districts; and, the Property Committee report (copies attached to original meeting summary). First Vice President Gary Smith reported that the piling project is underway and should be completed within 3-4 weeks. It was also reported that building occupancy is at 96%.

ORAL REPORTS

President's Report – President Simmons re-introduced First Vice President Gary Smith, who reported on the recent Western Chapters Meeting in La Quinta, CA. Smith noted that it was a very worthwhile meeting, attended by representatives from most of the western chapters. AGCWA was the host chapter and was represented by Simmons, Smith, D'Hondt, and Tijan. Per Smith and Simmons, agenda topics, in addition to individual chapter updates, included a presentation by President/CEO Lane Beattie with the Salt Lake Chamber on "How to Make Politics Happen in Real Life," a "2013 Year-in-Review" by AGC of America President Paul Diederich, a "2014 Look Ahead" by AGC of America Senior Vice President, Alan

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Landes, an AGC of America update by CEO Steve Sandherr; and, a presentation by FMI Senior Consultant Rusty Sherwood on “Strategic Leadership.”

Simmons remarked that the AGC of Washington has first-rate staff; however, members need to remember that we are an association that is “member driven” not “staff driven.” He encouraged member involvement within the association. Simmons stressed that “the association is about the members, not the fine staff.”

Smith reported that it was a great opportunity to meet our counterparts from the different western states. He also noted that while AGCWA has been rather fortunate through the economic downturn, other chapters have not been so lucky; some have had to merge with other organizations. D’Hondt and Tijan were commended for putting together a great event for the group.

Staff Years’ of Service Recognition – Property Manager Paula Jackson was recognized for her 15 years’ service to AGC of America and AGC of Washington. It was noted that Paula has worked a total of 23 years with the AGC of Washington, which includes work with a previous out-of-house property manager.

Executive Vice President’s Report – Executive Vice President David D’Hondt welcomed everyone. He reported that last October, prior to the Western Chapters’ meeting, the Western Chapter Execs met at the AGC of Washington for their planning session. D’Hondt reviewed some of the chapter profiles from the Western Chapters Mtg. to show the differences that exist between chapters (if you would like to review the various chapter profiles from the Western Chapters’ meeting, go to: www.agcwesternchapters.com; password: 2014ChapterExecs; click on “2014 Meeting”; click on “2014 Meeting Materials” to access the Chapter Profiles).

Per D’Hondt, also included in these materials is a PAC survey, which was completed by 12 chapters; it will be used for benchmarking purposes. He thanked Dani Tijan for her efforts in making this a successful event. Other comments:

- AGC Building is 96% occupied; there is a deal pending, which could leave 800 sq. ft.
- \$271k for our 2014 charter fee has been paid in full to AGC of America.
- He thanked staff for their hard work in servicing our members during his 5-1/2 years as Executive Vice President at AGCWA.

AGC Education Foundation – Executive Director for the AGC Education Foundation (6 yrs.), Diane Kocer, greeted the Board and gave a brief overview of the Foundation. Kocer noted that the Foundation continues to operate as a seamless arm of the AGC of Washington, offering a multitude of industry classes (including custom classes), webinars, student scholarships, and grants, and involvement in workforce development, i.e. King County Construction Career Days, Ready Set Build, partnering with Seattle Public Schools in various teacher/student programs, etc. Kocer thanked the Board for AGCWA’s financial support to the Foundation; it currently has a \$3.5M endowment fund. D’Hondt thanked Kocer for her efforts. It was noted that the Foundation has created a video of its activities, which was shown at a previous Board meeting; anyone wishing a copy should contact Kocer at dkocer@agcwa.com.

Controller’s Financial Report – Controller Kelly Barber reviewed the financials for the month ended December 31, 2013. Overall, he stated that it was a great year for AGCWA.

INTERACTIVE DISCUSSION/ACTION

Strategic Plan Review - D’Hondt reviewed with the Board AGCWA’s updated BHAG’s (Big, Hairy, Audacious, Goals); he noted that each has been pared down to remove goals that have become institutionalized; as an example, former BHAG 3, Develop Property to Highest and Best Use with 95% Occupancy, has been removed. He noted that the Strategic Plan is a living document; as goals become institutionalized or achieved, they will be removed. D’Hondt stated that we have made great progress with our Strategic Plan.

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AGC OF WASHINGTON STRATEGIC PLAN, BHAG 1

**BHAG 1: Increase membership of General Contractors to 220 members by 2020;
double associate membership.**

<p>Membership numbers as of August, 2013: GC (169) SUB (151) ASSOC (207) Membership numbers as of December 31st 2013 GC (172) SUB (155) ASSOC (217) (Champions: Butch Brooks, Dick Bristow, Stacy Mullane)</p>	Timeframe				
<p>SMART GOAL 1: Increase membership recruitment & retention Objective I: Use McGraw Hill Analytics to establish market share for each district and target new members. Timeframe: 3 mos. April 2014 Responsible: Director of Membership, District Managers (Membership Coordinator) Objective II: Adjust District Managers' boundaries for recruiting. Timeframe: 3 mos. April 2014 Responsible: David D'Hondt, Dick Bristow</p>	2013	2014	2015	2016	2017
<p>SMART GOAL 2: Increase membership services Objective I: Enhance industry knowledge of Safety Team© (ST) as premier and utilize the success of that program to open contracting opportunities for members. Timeframe: 10 mos. Update (5/11): Printed marketing materials (bifold and trifold) have been developed. An ad has been placed in the 2011 membership directory informing members of the benefits of Safety Team and resources available. Update (3/12): Action steps developed to meet objective: work with GC's to use ST as prequalification criteria, create better awareness within membership/staff on the benefits of ST, survey the membership ST contractors and non-ST contractors, create banners that have space for GC to list all ST certified contractors onsite, publicize our internal statistical graphs and comparison charts to show exemplary results that ST contractors have achieved, approach the following companies: major insurance agencies requesting endorsement for ST contractors, L&I to request premium discount, and large owners (Vulcan, etc.) about using ST criteria in the pre-qualification process. Responsible: David D'Hondt / Mandi Kime / Safety Comm.</p>	Dec				
<p>SMART GOAL 3: Create overarching marketing plan for membership recruitment Objective I: Hire Marketing Manager Timeframe: Sept 2013 Responsible: David D'Hondt Objective II: Create a plan that includes staff incentives for membership growth and member-to-member recruitment. Timeframe: Jan. 2014 Responsible: Marketing Manager/ Jerry Vanderwood</p>	Sept	Jan April			

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<p>SMART GOAL 4: Collaborate with the Education Foundation at a higher level</p> <p>Objective I: Hold one or two joint executive meetings per year Timeframe: Oct 2013 Responsible: David D'Hondt</p> <p>Objective II: Create joint budgeting meeting for both organizations. Timeframe: 2014 Budget cycles Responsible: David D'Hondt</p> <p>Objective III: Education Foundation to make presentation to the AGC Board of Trustees on class offerings. Timeframe: Dec 2013 Responsible: David D'Hondt</p>	<p>Oct</p> <p>Dec.</p>	<p>May</p>			
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Gray highlight indicates updated information.

Yellow highlight indicates past updated information.

Blue highlight indicates objective completed.

AGC OF WASHINGTON STRATEGIC PLAN, BHAG 2

<p>BHAG 2: To help elect a pro-business majority in the WA State Legislature by 2020.</p>	Timeframe				
<p>Champions: David D'Hondt, Jake Jacobson</p>	2013	2014	2015	2016	2017
<p>SMART GOAL 1: Increase member participation</p>					
<p>Objective I: Increase member and legislative personal contact through L.E.A.R.N. Program to establish long-term relationships. (Target 10 additional visits with legislators per year.) Timeframe: 5 yrs. (Begin 2014) Ongoing activity with December updates. Responsible: Van Collins/ Jerry Vanderwood & District Managers Infrastructure is in place with the District Managers to start after session this year.</p> <p>Objective II: Increase Voter Voice contacts in both quantity and quality through member visits. Timeframe: 1 yr. Responsible: Michele Willms / District Managers</p> <p>Objective III: Present Legislator of the Year Award at a Board meeting. Timeframe: 2013 Responsible: Van Collins Hans Zeiger received at Annual Meeting</p>	<p>Dec</p>	<p>Dec</p> <p>Sept.</p> <p>Jan.</p>	<p>Dec</p>	<p>Dec</p>	<p>Dec</p>

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Blue highlight indicates objective completed.

AGC OF WASHINGTON STRATEGIC PLAN, BHAG 3

<u>BHAG 3: Create an industry leading IT program for members and staff that utilizes leading technologies and eases interface.</u>	Timeframe				
	2013	2014	2015	2016	2017
<i>Champions: Mark Seaman, Kelly Barber</i>					
SMART GOAL 1: Define the options <i>Objective I: Research and recommend state-of-the-art database / website / mobile options.</i> <i>Timeframe: December 2013</i> <i>Responsible: Kelly Barber / David D'Hondt</i>	Dec				
<i>Objective II: Research and recommend webinar platform for AGC use.</i> <i>Timeframe: June 2014</i> <i>Responsible: Kelly Barber / David D'Hondt</i>		June			
SMART GOAL 2: Purchase and install new database <i>Objective I: RFP for systems</i> <i>Timeframe: March 2014</i> <i>Responsible: Kelly Barber / David D'Hondt</i>			March		
<i>Objective II: Installation of new database</i> <i>Timeframe: August 2014</i> <i>Responsible: Kelly Barber / David D'Hondt</i>			Aug.		

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1/29/2014

GAC Legislative Update – Chief Lobbyist and General Counsel Van Collins gave an updated government affairs and legal affairs report, which included:

- Recognition of the invaluable service of the Legal Affairs Counsel, that includes members Paul Cressman and Bob Marconi); they are currently working on a couple of Amicus Briefs;
- Recognition of the legislative staff: Office Manager Michele Willms, Lobbyists Jerry VanderWood and Duke Schaub;
- Economic Impact Study prepared by the Construction Management Dept. at U.W.; it reflects what construction means to the economy;
- Transportation Package – Duke Schaub is leading this effort;
- Lobby Day is scheduled for Thursday, Feb. 13;
- Monday Legislative Huddle, 7:30 AM – encouraged participation by Board members;
- LEARN – planning to take legislators on public works job sites;
- Legislative voting records – accumulating past voting records to gather information on incoming candidates;
- Public Works Trust Fund – VanderWood is the key AGCWA staff working on these issues;
- D'Hondt commended Collins for the wonderful job he has done leading the legislative staff since the departure of Rick Slunaker. D'Hondt reported that he and Collins had several meetings with various senators during the "off" sessions; they included: Senator Holmquist-Newbry in Moses Lake, Senator Schoesler in Ritzville; and, Senator Honeyford in Sunnyspot. D'Hondt stated that these meetings were constructive and plans to continue them in the future.

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Safety Department Presentation – Director of Safety Mandi Kime gave an overview of AGCWA safety services, which included:

- AGC Safety Team® (prerequisite to applying for and hopefully joining Group Retro)
- Safety Forums (held in Fife, Kitsap, Yakima, Wentachee, Seattle, and Bellingham)
- Health & Safety Resource Library (English and Spanish)
- Health & Safety Training (OSHA ten-hour; hearing conservation, soft tissue injury prevention, tunnel safety, and customized training)
- Safety Audits
- Consultation
- Crisis-Management Assistance
- Products
- Equipment (free noise monitoring and dust sampling equipment loaners and consultations)

AGC Group Retro Presentation – Director of Group Retro Lauren Gubbe gave an overview of the AGC Group Retro program, which included:

- Quarterly meetings with the Dept. of L&I;
- Van Hardy, Group Retro Chair; former treasurer for the AGCWA and current honorary member;
- Main reason many companies join AGCWA is for the opportunity to join Group Retro;
- 99% of members have come from competing plans;
- Group Retro retains 100% of eligible firms;
- Up to 5% refund split between 2 chapters (AGCWA & Inland NW);
- 88% years overall experience on the Retro Committee;
- Staff includes a former para legal as well as a self-insured certified employee;
- \$162M refunds given back to date; those in the plan are the only ones paying for the plan;
- Old plan – the penalty risk used to be simple; target refund changes every year; plan continues to be the top performer.

AGC of Washington BUILD-PAC – VanderWood reported that AGCWA BUILD-PAC raised a total of \$43,230, to date, for 2014 from the recent dessert dash (\$25,075) at the AGCWA Convention and through membership dues check-off. He thanked Brooks, Simmons, and Jacobson for their fundraising efforts prior to the dues billing mailing.

Announcements

Feb. 13	Lobby Day, Olympia
Feb. 18	Seattle District Membership Breakfast, 7:30 AM
March 5	Southern District Membership Dinner, 5 PM, Fircrest
March 18	Seattle District Membership Breakfast, 7:30 AM
April 2	Southern District Membership Dinner, 5 PM, Fircrest
April 14	Board of Trustees Mtg., 11 AM – 1:30 PM, AGC Conference Center

The meeting was adjourned at 1:35 PM. President Simmons then held a brief Executive Session with Board Members.

Gary Smith, First Vice President

Date