

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
FEBRUARY 15, 2016**

BOARD MEMBERS PRESENT

Nancy Munro	MidMountain Contractors, Inc.
Bill Bender	UW Dept. of Constr. Mgmt.
Gary Smith	Lease Crutcher Lewis WA, LLC
Delton Bonds	Mountain States Const.Co
Mike Grace	Groff Murphy, PLLC
Frank Imhof	IMCO General Construction, Inc.
Jake Jacobson	Osborne Construction Company
Chris Lang	Fisher Construction Group
Brent Levander	Centennial Contractors Enterprises
Annie Lombroia	Ashbaugh Beal
Jim Rowley	Howard S. Wright,a Balfour Beatty Co.
Jessica Scarsella	Scarsella Bros., Inc.
Glyn Slattery	Lydig Construction, Inc.
Gordon Spencer	Teknon Corporation
Mickey Traugutt	Washington Patriot Construction LLC
Sharon Young	Concord Construction, Inc.

BOARD MEMBERS ABSENT

Paul Mayo	Flatiron Constructors, Inc.
Ian McFarland	University Mechanical Contrs. Inc.
Dawn Stephens	Charter Construction, Inc.

STAFF/GUESTS PRESENT

David D'Hondt	AGC of Washington
Tim Attebery	AGC of Washington
Kelly Barber	AGC of Washington
Jerry Dinndorf	AGC of Washington
Liz Evans	AGC of Washington
Lauren Gubbe	AGC Group Retro
Randy Guzman	AGC of Washington
Paula Jackson	AGC of Washington
Dave Kearby	AGC of Washington
Diane Kocer	AGC Education Foundation
Mandi Kime	AGC of Washington
Andrew Ledbetter	AGC of Washington
Sean Lewis	AGC of Washington
Stacy Mullane	AGC of Washington
Dani Tijan	AGC of Washington
Jerry VanderWood	AGC of Washington
Robert Marconi	Ashbaugh Beal

CALL TO ORDER

President Nancy Munro welcomed everyone and called the meeting to order at 11:05 AM.

BOARD ORIENTATION

Bob Marconi with Ashbaugh Beal oriented the Board on its statutory and fiduciary responsibilities as trustees of the association. He reviewed AGC's *Responsibilities of the Board of Trustees' Pledge, Conflict of Interest* and *Attendance* policies, *Code of Ethical Conduct*, and new *Board Policy 25* pertaining to "ethical conduct." He asked all trustees to return signed copies of the first two documents to Dani Tijan. Marconi encouraged the trustees to get to know the officers and staff and to look for opportunities to get involved in committees. He 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 association, 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, Art. 9, Board members (fiduciaries) are indemnified to the fullest extent permitted by law against any expenses incurred in connection with the defense of any action, suit or proceeding.

Board of Trustees & Staff Self-Introductions – Board members introduced themselves and (per Munro) reported on areas that sparked their interest regarding AGC's mission:

Munro: AGC being invited to the table as representative of the industry; lack of skilled craft workers.

Jacobson: AGC's relevancy in the industry; newly formed Environment Committee; re-invigoration of BUILD-PAC.

Imhof: Association representing the industry; fair, open competition – Open Shop.

Smith: Advancing our industry as a professional image.

Scarsella: Keeping AGC strong; FLF; networking.

Traugutt: Staying relevant.

Bonds: Pride in association; playing a part in keeping AGC relevant.

Grace: Advocacy.

Lang: Continuing education down to school levels; safety.

Lombroia: Diversity; involving younger generations.

Rogers: Outreach to younger groups.

Slattery: Legacy of leaders; continuing to improve the industry.

Spencer: Safety.

Young: Connect with the real world; safety.

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CONSENT AGENDA

Action: It was moved (Slattery), seconded (Young), and carried to accept the December summary minutes as presented.

It was moved (Smith), seconded (Jacobson), and carried to accept the February Membership report as presented.

February 15 Membership Report

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

NEW MEMBERS

ASSOCIATE

Seattle District

1029 Consulting, Inc., Seattle, WA
Bader Martin, P.S, Seattle, WA
Nicholson Kovalchick Architects PS, Seattle, WA
Ventilation Power Cleaning, Seattle, WA

Southern District

Exeltech Consulting Inc, Lacey, WA
Sonitrol Pacific

INTRODUCTORY GENERAL CONTRACTOR

Seattle District

Venture General Contracting, Seattle, WA

INTRODUCTORY SPECIALTY CONTRACTOR

Seattle District

Floform Countertops, Kent, WA

Southern District

Bulldog Plumbing & Design LLC, Puyallup, WA

SPECIALTY CONTRACTOR

Seattle District

Black Sheep Electric, Woodinville, WA
Michael Homchick Stoneworks, Kenmore, WA
Titan Electric, Inc., Bellevue, WA

Southern District

Redinger Inc., Yacolt, WA

YOUNG CONSTRUCTOR

Daniel Jenes, PBS Supply Co.
Mark Strecker, PBS Supply Co.
David Strecker, PBS Supply Co.

RETRO

Chervenell Construction Co.
D9 Contractors, Inc.

COMPANIES NOT RENEWING MEMBERSHIP

Associate

Belcher Swanson Law Firm, PLLC – Northern – Main contact has moved to Foster Pepper
Ater Wynne LLC – Seattle – No presence in WA State

General Contractor

Chervenell Construction Co. – Central – Moved membership to Inland NW AGC, staying in Retro program
Eastside Corridor Constructors – Seattle – Business closed
Mowat Construction Company – Seattle – Business closed

Specialty Contractor

Pan-Arctic Contractors, Incorporated – Southern – No projects in WA State
The Bag Lady, Inc. – Southern – No reason provided

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ORAL REPORTS

President's Report – President Munro stated that one of her goals is staying tuned to what's relevant today; in particular helping pave the way for more women in the construction industry. She hoped the association would have opportunity to learn some things from her from a woman's perspective, and continue improving communication to all contractors. Munro was of the opinion there should be diversity of thought in communication; that there are no bad ideas.

- a. **AGC Committees:** Munro reported that three committees are being added to the current list of AGC portfolio officer assignments: Open Shop (Dave Kearby, staff; Frank Imhof, portfolio officer); HR (Dave Kearby, staff, Dawn Stephens, portfolio officer); Student Chapters – UW/CWU/WSU (Andrew Ledbetter staff for UW; Dave Kearby staff for CWU & WSU; Jake Jacobson, portfolio officer).
- b. **AGCWA/AGC Education Foundation Collaboration Committee:** Munro reported that Dave D'Hondt and Jake Jacobson will represent AGCWA and the Education Foundation will have two representatives.
- c. **Officers' Actions Since Last Board Mtg.:** Munro reported on the following:
 - Sean Woerman with Lydig Construction was appointed to a one-year term on the AGCA Executive Board; the officers approved up to \$7.5k from the Board Contingency Fund for 2016 travel expenses for three meetings this year (meals/lodging/air/registration/misc. related expenses). There will be a total of 5 meetings (two in 2017, which will be budgeted that year).

Action: It was moved (Grace), seconded (Traugutt) and carried to approve up to \$7.5k for Sean Woerman's travel expenses in 2016 from the Board Contingency Fund for the 3 meetings in 2016 (meals/lodging/air/registration/misc. related expenses).

- The Center for Women and Democracy will be honoring 10 women in Washington State this year; one being Nancy Munro. The officers approved a \$5k contribution to the Center for Women & Democracy from the Board Contingency Fund. Per Munro the organization provides opportunities for college women through leadership and mentoring. The recipients will have high tea with the women Supreme Court judges and lunch at the Governor's Mansion.

Action: It was moved (Traugutt), seconded, and carried to approve the \$5k contribution to the Center for Women & Democracy from the Board Contingency Fund.

- In an effort to promote the growth of Sea-Tac Airport, a coalition of business, labor and environmental interests have come together to support the development and implementation of the airport master plan by forming "Tomorrow @ Sea-Tac." The coalition's goals are to build public recognition and support; Gary Smith is a volunteer coalition member. Munro reported that the officers recommend approving \$10k to Tomorrow @ Sea-Tac Coalition out of the Board Contingency Fund.

Action: It was moved (Smith), seconded and carried to approve \$10k to Tomorrow @ Sea-Tac Coalition from the Board Contingency Fund.

- d. **Comments from Bill Bender:** On behalf of Trustee Bill Bender, who was unable to attend today's meeting, Munro reported on the following:
 - Associated Schools of Construction Student Competition, Reno, NV – CWU won first place in Mixed Use; UW won 2nd place in Mixed Use, 3rd place in Design-Build, and 3rd place in Sustainability; and, WSU won 2nd place in Commercial. Bender stated that this extracurricular activity is one of the most realistic simulations of the professional world the students will soon be entering. Bender thanked AGCWA and the AGC Education Foundation for support.

Western Chapters' Mtg. Recap - First Vice President Jake Jacobson reported on the recently attended Western Chapters' Meeting, which was held in Las Vegas, Nevada. Issues discussed included:

- Update on what AGC of American is doing on various issues; i.e., environmental, legislative, workforce development, lack of funding for infrastructure, etc.

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- Workforce development – lack of sufficient skilled craft workers continues to be an issue for most chapters. Jacobson reported that the Chapter will be establishing a workforce development task force and asked anyone interested in participating to let the officers know. *Trustee Sharon Young expressed interest in joining the task force.*

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

- AGC of America's proposed Bylaws' Amendment - relating to a single contractor membership category: AGCA is proposing a change to include all specialty contractors as Regular Members of the Association. This change would eliminate the Specialty Contractor Membership Classification within AGC of America and provide all contractor members the same opportunities and privileges of membership as it pertains to programs, services, involvement and leadership within National AGC. It was reported that each chapter would have the authority to create/maintain whatever membership structure and categories best meets their local needs and preferences. This change would not require or necessitate any changes to local chapter structure, governance procedures and/or membership classifications. These proposed bylaws' changes will be voted on at this year's Annual Convention in San Antonio.

Staff Self-Introductions – Staff introduced themselves and highlighted what each does for the association.

Department Presentations – The following AGC departments gave brief presentations / orientations on the functions and activities of their respective committees / departments: Environment (newly formed committee); FLF; Federal Facilities; Government Affairs; Group Retro; Labor; Legal Affairs; Marketing; Membership; Properties; Public Works; Safety; and, State Facilities. Northern District Manager Liz Evans was congratulated on another great convention this year.

INTERACTIVE DISCUSSION/ACTION

Controller's Financial Report – Controller Kelly Barber reviewed the financials for the month ended December 31, 2015. He noted that 2015 was an exceptionally good year. As of December 31, 2015, the Net Operating Income (NOI) equaled \$680k vs. a year-to-date budget NOI of \$77k creating a favorable year-to-date budget variance of \$603k. The year-to-date positive revenue variance of \$560k combined with the positive expense variance of \$43k produced the total favorable year-to-date budget variance of \$603k.

The year-to-date positive revenue variance of \$560k was primarily from above budget revenue in Retro Sponsorship Fee, Membership Dues, Building Rent, and Other Rent Revenue along with all other revenue categories.

The year-to-date positive expense variance of \$43k was primarily comprised of under budget expenses in most expense categories except Consultant Fees, Membership Dues, Donations and Event expense and Building / Marina expense.

The building's occupancy rate was 100% as of December 31, 2015.

Per Barber, the AGC's building loan balance of \$417k with Union Bank was paid off as of June 5, 2015, per approval of the AGC Board of Trustees.

D'Hondt reported that since the association is in a strong financial position with \$3.259M, he recommended increasing the association's insurance from \$1M cash to \$2M cash at a cost of \$1,500.

Action: It was moved (Smith), seconded (Jacobson), and carried to approve \$1,500 to increase AGC's insurance from \$1M to \$2M.

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D'Hondt recommended adding \$200k to the building's savings account; monies to be used for building emergencies.

Action: It was moved (Rowley), seconded (Spencer), and carried to approve adding \$200k to the building's savings account.

D'Hondt recommended adding \$200k into the AGC's Reserve Fund; it was noted that it will likely be needed later this year.

Action: It was moved (Rowley), seconded (Spencer), and carried to approve adding \$200k into the AGC's Reserve Fund.

Action: It was moved (Smith), seconded (Traugutt), and carried to approve the December 31, 2015 financials as presented.

Strategic Plan – President Munro reviewed the following Strategic Plan. She requested that BHAG 1, SMART Goal 1, Obj. I, be moved to May instead of July.

BHAG 1: Create a movement for membership, not a market share.					
Membership Numbers as of December 31, 2015:					
GC (175); SUB (182); ASSOC. (233); Young Constr. (6): Total: 596					
Membership Numbers as of December 31, 2014:					
GC (188); SUB (176); ASSOC. (237); Young Constr.(3): Total 604					
(Champions: David D'Hondt, Jake Jacobson)					
Timeframe					
	2015	2016	2017	2018	2019
<p><u>SMART GOAL 1: Involve the next generation while respecting all generations by being welcoming and providing meaningful opportunities.</u></p> <p>Objective I: Survey companies to get a census of the generations.</p> <p>Timeframe: March 2016</p> <p>Responsible: Stacy Mullane, Officers, Annie Lomboira, Jim Rowley, Gordon Spencer</p>		<p>July</p> <p>May</p>			
<p>Objective II: Make a plan to have an FLF rep on the AGC Board; maximum age 35.</p> <p>Timeframe: Dec. 1 2015</p> <p>Responsible: David D'Hondt, Officers, FLF Steering Committee</p>	Dec. 1	Approved at 1/29/16 Annual Mtg.			
<p>Objective III: Have 2 meetings per year with the AGC Officers and the FLF Steering Committee.</p> <p>Timeframe: 2 in 2016</p>		Nov.			

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Responsible: David D'Hondt, Andrew Ledbetter					
Objective IV: Define "IT" for an event that will attract the entire group of 460 FLF registered participants. Timeframe: 2 years Responsible: David D'Hondt, Mickey Traugutt, FLF Steering Comm.			Sept.		
Objective V: Review status of relationships with AGC Student Chapters in Washington and recommend to the AGC Board a plan to enhance the relationships. Timeframe: 1 year Responsible: Dave Kearby, Jake Jacobson, John Schaufelberger			Sept.		
<u>SMART GOAL 2: Increase membership services.</u> 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: 2 years Responsible: David D'Hondt, Mandi Kime, Safety Committee			Sept.		
Objective II: Market AGC Safety Team® to be used nationwide through the AGC of America. Timeframe: 2 years Responsible: David D'Hondt, Mandi Kime, Officers			Sept.		

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	2015	2016	2017	2018	2019
<u>SMART GOAL 3: Create overarching marketing plan for member recruitment.</u> Objective I: Create a timeline and material list for action items. Timeframe: 3 months Responsible: Sean Lewis, District Managers		Jan.			
Objective II: Discuss changing Subcontractor membership category to Specialty Contractor. Timeframe: Dec. 1, 2015 Responsible: Stacy Mullane, AGC Board	Dec. 1	Approved 1/29/16 at Annual Mtg.			
<u>SMART GOAL 4: Collaborate with the Education Foundation at a higher level.</u>					

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<p>Objective I: Work collaboratively with the Education Foundation to explore large scale impact initiative with intention to generate pipeline to construction workforce. Research feasibility and funding of a Construction Academy, generate or expand industry partnerships, and identify local programs with existing construction workforce pipeline.</p> <p>Timeframe: 5 years Responsible: David D'Hondt, Nancy Munro</p>					2020
<p>Objective II: Work collaboratively with the Education Foundation to educate members on the strengths of the next generations.</p> <p>Timeframe: 2 years Responsible: David D'Hondt, Diane Kocer</p>			Sept.		
<p>Objective III: Work collaboratively with the Education Foundation for mentoring opportunities for the next generations in the construction industry.</p> <p>Timeframe: 2 years Responsible: David D'Hondt, AGC Board, Diane Kocer</p>			Sept.		
<p>Objective IV: Work collaboratively with the Education Foundation to benchmark and measure AGC member participation in Education Foundation classes; measurements of students per year to include:</p> <ul style="list-style-type: none"> <i>a. Number of members taking classes</i> <i>b. Number of member companies taking classes</i> <i>c. Number of non-member students taking classes</i> <i>d. Number of non-member companies taking classes</i> <i>e. Number of classes in each district</i> <p>Timeframe: 5 years Responsible: Kelly Barber, Diane Kocer</p>					2020
<p><u>SMART GOAL 5: Increase diversity of AGC membership.</u></p> <p>Objective I: Create a Diversity Task Force that evaluates options and reports back to the Board.</p> <p>Timeframe: Sept. 2016 Responsible: David D'Hondt, Nancy Munro, Ken Day</p>		Sept.			

Updated Information highlighted in yellow; Completed objectives highlighted in gray.

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BHAG 2: To help elect a pro-business majority in the Washington State Legislature by 2020.					
Champions: David D'Hondt, Jake Jacobson, Mike Grace, Ken Day, Annie Lombroia	Timeframe				
	2015	2016	2017	2018	2019
<u>SMART GOAL 1: Increase member participation in GAC.</u>					
Objective I: Create opportunities for Board members to meet with legislators. Timeframe: 2 years Responsible: Jerry VanderWood, District Managers			Oct.		
Objective II: Create opportunities for FLF to participate in government affairs' activities. Timeframe: 2 years Responsible: Michele Willms, Andrew Ledbetter, FLF Steering Comm.			Oct.		

<u>BHAG 3: Create an industry leading IT program for members and staff that utilizes leading technologies and eases interface.</u>					
(Champions: Kelly Barber, Sean Lewis)					
	Timeframe				
	2015	2016	2017	2018	2019
<u>SMART GOAL 1: Improve technology at AGC of Washington.</u>					
Objective I: Form a Technology Task Force including FLF members to advise the AGC of WA on technology matters including social media strategies and report to the AGC of WA Board. Timeframe: December 2015 Responsible: Kelly Barber, Sean Lewis	Dec.	Dec.	Dec.	Dec.	Dec.
Objective II: Partner with FLF to test and suggest improvements to the new website and database. Timeframe: December 1, 2015 Responsible: Stacy Mullane, Sean Lewis, FLF	Dec. 1				
Objective III: Install video conferencing capabilities in the Seattle AGC office and AGC Conference Center for live conferencing webinars and pod casts. Timeframe: December 2015 Responsible: David D'Hondt, Kelly Barber	Dec.	1/31/16 Equipment Installed			

Updated information highlighted in yellow.

Completed objective highlighted in gray.

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AGC Legislative Update – Chief Lobbyist Jerry VanderWood gave an updated legislative report, which included several initiatives, i.e., creating a fossil fuel carbon pollution tax; and paid sick leave for everyone. Other priority bills included workers’ compensation reform through clarification of occupational disease claims; and reforming industrial insurance through privatization and competition.

AGC’s BUILD PAC – VanderWood reported that AGC’s BUILD PAC has done phenomenally well; so far this year, it has raised \$136k, almost twice as much as years’ past, in large part due to the 4.25% membership allocation to BUILD-PAC.

D’Hondt reported that the Governor’s office recently called lobbyist Duke Schaub to see if AGC would publicly support Lynn Peterson as the Secretary of WSDOT; AGC declined.

OTHER BUSINESS

AGC Amicus Brief – 1st Vice President Jake Jacobson reported that the Legal Affairs Committee unanimously approved recommendation of an AGC amicus brief to the Washington Supreme Court on behalf of Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, JV; no monies are being sought at this time. Per Jacobson, the issue pertains to the shift of risk to a contractor for another’s incorrect specifications and/or design.

It was moved (Jacobson), seconded (Grace), and carried to proceed with this amicus brief.

Announcements –

Feb. 17	Seattle District Membership Breakfast, 7:30 AM
March 4	Southern District Membership Dinner, 5 PM, Tacoma Elks Club
March 17	Seattle District Membership Breakfast, 7:30 AM
March 18	Lobby Day, 10 AM – 2:30 PM, Olympia
April 1	Southern District Membership Dinner, 5 PM, Tacoma Elks Club
April 20	Board of Trustees Mtg., 11 AM – 1:30 PM, AGC Conference Center
June 24	Safety Golf Tournament

The meeting was adjourned at 2:05 PM

Frank Imhof, 2nd Vice President

Date