

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
NOVEMBER 9, 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.
J. Schaufelberger UW College of Built Environments
Mark Seaman J.R. Abbott Construction Inc.
Glyn Slattery Lydig Construction, Inc.
Gordon Spencer Teknon Corporation
Mickey Traugutt Washington Patriot Construction LLC
Sharon Young Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds Mountain States Const.Co
Joe Simmons Joseph S. Simmons Construction, Inc.

STAFF/GUESTS PRESENT

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
Liz Evans AGC of Washington

Randy Guzman AGC of Washington
Paula Jackson AGC of Washington
Dave Kearby AGC of Washington
Mandi Kime AGC of Washington
Diane Kocer AGC Education Foundation
Stacy Mullane AGC of Washington
Penny Schmitt AGC of Washington
Dani Tijan AGC of Washington
Jerry VanderWood AGC of Washington
Josiah Mooi AGC UW Chapter
Jacob Wilson AGC UW Chapter
Molly Roe AGC UW Chapter
Ethan Buchan AGC UW Chapter
Tracey Tran AGC UW Chapter
Gene Colin Ferguson Construction
Brett Ferullo Northwest Construction
Tom Rogers Northwest Cascade
John Huntley Mills Electric Co.
Tom Zamzow Parsons Construction Group
Frank Imhof IMCO General Construction, Inc.
Ian McFarland University Mechanical Contrs., Inc.
Tymon Berger Ashbaugh Beal
Dan Chandler OAC Services, Inc.
Ross Pouley AECOM
Michele Willms AGC of Washington
Gov. Inslee Guest
Bill Bryant Guest

CALL TO ORDER

President Gary Smith called the meeting to order at 11:00 AM.

GUBERNATORIAL CANDIDATE INTERVIEWS

The Board interviewed gubernatorial candidates Bill Bryant and Governor Inslee, respectively, to determine whether or not AGC of Washington should endorse one for Governor (*note: Board discussion on this issue followed later in the agenda*).

CONSENT AGENDA

Action: It was moved (Day), seconded (Mayo), and carried to accept the September summary minutes. It was moved (Kunzman), seconded (Slattery), and carried to accept the October and November Membership reports as presented.

Re: Membership Report (approved by Officers on 10/12/15)

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

NEW MEMBERS

ASSOCIATE

Seattle District

Applied Software, Atlanta, GA
SeaTac Steel Mill & Recycling Services CO., and Edw. C Levy Company, Portage, IN

Southern District

G.E.W. LLC, Le Center, WA
GTM Transformations LLC, Tacoma, WA

AGC of Washington is asking that the following companies be expelled from membership as they have not submitted payment for their pro-rated 2015 dues following an introductory membership:

General Contractor

HHJ Inc - Southern

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Subcontractor
Lacey Glass – Southern

Re: November 9 Membership Report

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

NEW MEMBERS

ASSOCIATE

Northern District

Materials Testing & Consulting, Inc., Burlington, WA

Seattle District

Blankenship Equipment Repair, Inc., Auburn, WA

Waste Management, Seattle, WA

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 FLF, Government Affairs, and Legal Affairs (copies attached to original summary minutes).

ORAL REPORTS

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

- AGC UW Chapter – Bill Bender from the UW Dept. of Construction Management and five student chapter representatives were in attendance at the invitation of the Officers in an effort to help revitalize relationships between the association and its student chapter. It was noted that the student chapter has a charter in place; they have already changed their name to AGC of WA UW Student Chapter. They would like to be more active in the association (through FLF, local / national convention attendance, and training, among other things). Smith noted that CWU and WSU have been more active to date. It was noted that AGC is working on its points of contact for this group; per AGC's Strategic Plan, BHAG 1, SMART GOAL 1, Objective V: Review status of relationships with AGC Student Chapters in Washington and recommend to the AGC Board a plan to enhance the relationship, has a timeframe of September, 2016.
- Past Presidents' Night – was another very successful event.
- NCLC – The recent National Chapters Leadership Conference was attended by Smith, Munro, and Jacobson. Per Smith, AGCWA and Inland Northwest representatives divided visits to key legislative offices; big issues included workforce development and regulatory issues.
- Actions by the Officer Corps since the last Board meeting included:
 - a. \$2,500 for the Turner School Graduation Banquet, from the Board Contingency Fund
 - b. \$2,200 for Oktoberfest FLF Event (an AGC Board-sponsored event), from the Board Contingency Fund.
 - c. No action taken on suggestion by attorney Kampbell & Johnson to reclassify the AGC Building and its properties from a 501(c)6 to a 501(c)2 status. The Officers deemed it unnecessary to do this since the Building and its properties have sufficient insurance for major catastrophes.
- Labor Relations/Safety Assistant Penny Schmitt was recognized for her 10 years' employment with AGC of Washington.

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

- KCCCD – This year's King County Construction Career Day event at Magnuson Park welcomed 433 high school students. D'Hondt thanked all members who volunteered their time and equipment, including Ness & Campbell Crane, Coast Crane, and Lakeside Industries. He gave special recognition to Jen Holm with the AGC Education Foundation who chaired the event this year. D'Hondt recommended the Board approve \$50 gift cards to 30 SVI students who helped with KCCCD through the PAC Program.

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Action: It was moved (Kunzman), seconded (Traugutt), and carried to give \$50 gift cards at Thanksgiving to 30 SVI students that helped with KCCCD; up to \$1,500 from the Board Contingency Fund.

- Sea-Tac Coalition – D'Hondt circulated a flyer on the Sea-Tac Coalition.
- Nickelsville – D'Hondt reported on Nickelsville, a tiny home village for the homeless that features micro homes with electricity; a restroom facility with water and sewer, that is being planned in the Seattle area. He reported that SVI students will build one at its facility and have it shipped to its final location when completed. D'Hondt recommended the AGC purchase one home at a cost of \$2,300 from the Board Contingency Fund. He reported that this is at a reduced cost from Home Depot. It was noted that 15 homes are being built.

Action: It was moved (Kunzman), seconded (Traugutt), and carried to donate \$2,300 from the Board Contingency Fund for one of the micro homes for the SVI students to build.

D'Hondt was asked to find out if more homes are needed and to let Mickey Traugutt know.

AGC Education Foundation – Executive Director of the AGC Education Foundation, Diane Kocer, gave a brief update on the Foundation's Strategic Plan, noting that workforce development is a high priority along with continually improving the partnership with the AGCWA, Foundation's Board, constituents and staff. She thanked the Board for its 35th endowment to the Foundation and presented a plaque to the AGC.

INTERACTIVE DISCUSSION/ACTION

Should AGCWA Endorse a Gubernatorial Candidate?

President Smith reported that prior to the Board Meeting, each district held open conference calls / meetings with members to discuss the issue of whether or not to endorse one of the candidates. Smith asked district representatives to report on the meetings:

- Central District Rep Sharon Young reported that 10 members participated in their recent conference call, and it was a unanimous decision to endorse Bill Bryant, early.
- Northern District Rep Todd Kunzman reported that no one who participated in their recent conference call was in favor of Governor Inslee; it was split ½ of the members wanted to endorse Bill Bryant, early; and, ½ did not want to endorse anyone.
- Southern District Rep Mickey Traugutt reported that that his district reflected major endorsement for Bill Bryant now.
- Seattle District Rep Paul Mayo reported that no one was in favor of endorsing Governor Inslee; and, it was fairly evenly divided to either endorse Bill Bryant now or wait a while to make a final decision.

Government Affairs Chair Gene Colin thanked Dick Bristow for his "special" sandwich. He reported that GAC has no recommendation at this time for endorsement. He stated that not enough is known about Bryant at this time and questioned if AGC needed to endorse anyone? Colin remarked that he hoped the Board appreciated the power of an AGC endorsement and consider it sacred when used.

AGC's BUILD-PAC Chair Brett Ferullo stated that early dollars are most effective in a campaign; however, AGC's BUILD-PAC was not 100% unanimous on endorsing and suggested AGC wait for the time being. He cautioned that an implied endorsement would likely lead to a future contribution.

Regarding the use of PLA's, Chief Lobbyist Jerry VanderWood clarified Bryant's position noting that he is not 100% a proponent of them. D'Hondt stated that the Port of Seattle has PLA's that preceded Bryant; he (Bryant) is trying to make the best of this. It was noted that on private projects, he has been successful in not having PLA's.

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1st Vice President Nancy Munro asked what would be the negative to endorsing Bryant, if any? It was noted that while Gregoire was not happy when not endorsed by AGC, she moved on and AGC managed a relationship with her. It was reported that there is currently zero access to Governor Inslee.

2nd Vice President Jake Jacobson asked members how they intend to make a difference if there is no action now? After some additional discussion,

Action: It was moved (Jacobson), seconded (Young), and carried to endorse Bill Bryant for Governor. There were no nays.

Controller's Financial Report – Controller Kelly Barber reviewed the financials for the month ended September 30, 2015. As of September 30, 2015, the Net Operating Income (NOI) equaled \$1.354M vs. a year-to-date budget NOI of \$641K creating a favorable year-to-date budget variance of \$713K. The year-to-date positive revenue variance of \$504K combined with the positive expense variance of \$209K produced the total favorable year-to-date budget variance of \$713K.

The year-to-date positive revenue variance of \$504K 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 \$209K was primarily comprised of under budget expenses in most expense categories except for Consultant Fees, Membership Dues / Donations and Event expense.

As of September 30, 2015, AGC's 2015 annual forecast net operating income equaled \$726k versus an annual budget net operating income of \$78k. The building's occupancy rate was 100% as of September 30, 2015.

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

Strategic Plan – President Smith reviewed the updated Strategic Plan with the Board:

BHAG 1: Create a movement for membership, not a market share.

<p>Membership Numbers as of October 31, 2015: GC (174); SUB (180); ASSOC. (227); Young Constr. (6): Total: 587</p> <p>Membership Numbers as of October 31, 2014: GC (185); SUB (172); ASSOC. (226); Young Constr.(3): Total 586 (Champions: David D'Hondt, Jake Jacobson)</p>	Timeframe				
<p><u>SMART GOAL 1: Involve the next generation while respecting all generations by being welcoming and providing meaningful opportunities.</u> Objective I: Survey companies to get a census of the generations. Timeframe: March 2016 Responsible: Stacy Mullane, Officers, Annie Lombroia, Jim Rowley, Gordon Spencer</p>	2015	2016	2017	2018	2019
		July			

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<p>Objective II: Make a plan to have an FLF rep on the AGC Board; maximum age 35 (will require a bylaws' change). Timeframe: Dec. 1 2015 Responsible: David D'Hondt, Officers, FLF Steering Committee</p>	Dec. 1				
<p>Objective III: Have 2 meetings per year with the AGC Officers and the FLF Steering Committee. Timeframe: 2 in 2016 Responsible: David D'Hondt, Andrew Ledbetter</p>		Nov.			
<p>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.</p>			Sept.		
<p>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</p>		Sept.			
<p><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</p>			Sept.		
<p>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</p>			Sept.		
	2015	2016	2017	2018	2019
<p><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</p>		Jan.			

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<p>Objective II: Discuss changing Subcontractor membership category to Specialty Contractor (<i>change would require a bylaws' change</i>).</p> <p>Timeframe: Dec. 1, 2015 Responsible: Stacy Mullane, AGC Board</p>	<p>Dec. 1</p>			
<p><u>SMART GOAL 4: Collaborate with the Education Foundation at a higher level.</u></p> <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 create and fund an AGC of Washington Construction Academy, generate or expand industry partnerships, and identify local programs with existing construction workforce pipeline. and facilitate discussions with other chapters on what works.</p> <p>Timeframe: 5 years Responsible: David D'Hondt, Nancy Munro</p>				<p>2020</p>
<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>			<p>Sept.</p>	
<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>			<p>Sept.</p>	
<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>				<p>2020</p>

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<p><u>SMART GOAL 5: Increase diversity of AGC membership.</u> Objective I: Create a Diversity Task Force that evaluates options and reports back to the Board. Timeframe: Sept. 2016 Responsible: David D'Hondt, Nancy Munro, Ken Day</p>		Sept.		
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Note: Revised language in "red" (above) per Board comments.

<p align="center">BHAG 2: To help elect a pro-business majority in the Washington State Legislature by 2020.</p>					
<p>Champions: David D'Hondt, Jake Jacobson, Mike Grace, Ken Day, Annie Lombroia</p>	<p align="center">Timeframe</p>				
	2015	2016	2017	2018	2019
<p><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</p>			Oct.		
<p>Objective II: Create opportunities for FLF to participate in government affairs' activities. Timeframe: 2 years Responsible: Michele Willms, Andrew Ledbetter, FLF Steering Comm.</p>			Oct.		

<p align="center"><u>BHAG 3: Create an industry leading IT program for members and staff that utilize leading technologies and eases interface.</u></p>					
<p align="center">(Champions: Kelly Barber, Sean Lewis)</p>					
<p><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</p>	<p align="center">Timeframe</p>				
	2015	2016	2017	2018	2019
<p>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</p>	Dec. 1				

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<p>Objective III: Install video conferencing capabilities in the Seattle AGC office and AGC Conference Center for live conferencing webinars and pod casts.</p> <p>Timeframe: December 2015</p> <p>Responsible: David D'Hondt, Kelly Barber</p>	<p>Dec.</p>				
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Action: It was the consensus of the Board to approve the updated Strategic Plan as presented. It was also agreed to tweak BHAG 1, SMART GOAL 4, Objective I, per Nancy Munro’s comments (note: changes are noted above in red font) .

Proposed 2016 Operating & Capital Budget – Controller Kelly Barber reviewed the proposed 2016 operating and capital budgets for the Board. It was noted that the consolidated 2016 proposed operating budgeted revenue totaled \$6,453,320, an increase from 2015 budgeted revenue of \$278,387; 2016 budgeted expense totaled \$6,273,912, an increase from 2015 budgeted expense \$176,716; with a \$179,408 budgeted net operating income for 2016, an increase of \$101,671 from 2015 budgeted net operating income. 2016 proposed Capital Property and Equipment budget totaled \$688,000 compared to \$641,430 for 2015. 2016 Association Expense proposed budget totaled \$4,035,132 compared to \$3,711,377 for 2015.

Barber asked Board members to contact any of the Officers, Executive Vice President, or Controller, if they have questions or comments; the 2016 proposed budget will come up for final adoption on December 7, 2015, the next Board meeting.

OTHER BUSINESS

Announcements

- December 4 Southern District Holiday Open House, Fife, 4-7 PM
- 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

AGC BUILD-PAC – Executive Vice President Dave D’Hondt reported that since AGCWA has a \$179k positive year-end variance, staff revised the 2016 Membership Dues invoices (similar to the Restaurant and Realtors associations) to reflect that 4.25% of dues will go to AGC BUILD-PAC unless members opt out (this is not a dues increase, but a pass through). If members opt out, these monies will go to the General Fund. Members will have the option (again voluntarily) to donate additional monies through the dues check-off. It was noted that about 82% typically opt out of the dues check-off, and it ends up being the larger contractors funding the PAC. D’Hondt noted that the larger contractors have indicated they would be willing to contribute more monies to AGC’s BUILD-PAC if all contractors contributed to the PAC; all PAC contributors will be identified to the PDC as contributing to AGC’s BUILD PAC. D’Hondt advised that this is a way to raise more monies for the PAC without tax consequences to the chapter.

There being no further business to come before the Board, President Smith adjourned the meeting at 2:08 pm.

Mark Seaman

Date