

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
NOVEMBER 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.
Jake Jacobson Osborne Construction Company
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.
Dawn Stephens Charter Construction, Inc.
Mickey Traugutt Washington Patriot Construction LLC
Sharon Young Concord Construction, Inc.

BOARD MEMBERS ABSENT

Delton Bonds Mountain States Const.Co
Chris Lang Fisher Construction Group
Brent LeVander Centennial Contractors Enterprises

Gordon Spencer Teknon Corporation

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
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
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 11:15 AM.

CONSENT AGENDA

September Summary Minutes

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

October and November Membership Reports

It was moved (Slattery), seconded (Grace), and carried to accept the October and November Membership reports as presented (see below).

October Membership Report (approved by Officers 10/10/16)

NEW MEMBERS

ASSOCIATE

Seattle District

United Rentals Northwest, Inc., Kirkland, WA

INTRODUCTORY SPECIALTY CONTRACTOR

Seattle District

City Transfer Inc, Tukwila, WA
PowerCom , Bothell, WA

SPECIALTY CONTRACTOR

Southern District

Ball & Son Excavation, Tacoma, WA

Re: November Membership Report

NEW MEMBERS

GENERAL CONTRACTOR

Northern District

Jansen Inc., Bellingham, WA

NON-HOME GENERAL CONTRACTOR

Seattle District

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Roger Hickel Contracting, Inc., Bellevue, WA

YOUNG CONSTRUCTOR
Jay Townsend, PMECC

WRITTEN REPORTS

Action: It was moved (Mayo), seconded (Stephens), and carried to accept the Central, Northern Seattle, and Southern district written reports as presented. It was also moved, seconded (Mayo), and carried to accept the Government Affairs and Legal Affairs written reports as presented.

Highlights of the Government Affairs and Legal Affairs reports included:

- Environment Committee formed to address proposed regulations and legislation regarding environmental issues.
- Mike M. Johnson Task Force formed to discuss and promote potential legislation to address the Mike M. Johnson court case.
- Brightwater case – State Supreme Court refused to review the Brightwater case; contractors should be aware of increased liability risk.

ORAL REPORTS

FLF Report – FLF Representative to the Board, Jessica Scarsella, gave an updated report on the Future Leadership Forum and thanked the AGCWA for the great support. Scarsella reported that several members of the FLF Steering Committee recently attended the CLC Conference and had opportunity to connect with members from Inland Northwest and Alaska chapters, among others. It was noted that the FLF group has been more involved with the UW and CWU student chapters this year, and they all volunteered their assistance at the recent KCCCD at Magnussen Park. Gary Smith questioned whether any other chapter stood out as potential “best practice” partners? Scarsella stated the Georgia Chapter stood out to her.

President’s Report – President Munro reported on the following:

- NCLC Recap – AGCWA is aligned with AGCA in their Workforce Development and Diversity efforts. AGCA is working with Congress to direct OSHA to reconsider a newly implemented rule on recordkeeping, which highlights OSHA’s intention to enforce policies that prohibit mandatory post-accident alcohol and drug testing. Munro reported that AGCA is set to help members comply with the new “blacklisting” Executive Order. The conference also addressed the Board orientation process and ways to improve the overall board experience. It was reported that officers and staff participated in some great legislative visits that included Murray, Kilmore, Heck, Smith, etc.
- 9/22 Bill Bryant Fundraiser – Approximately 40 attendees; \$12k raised at this event with another \$3-\$4k donated online.
- 9/22 Past Presidents’ Night – Fifteen past presidents plus other retired and honorary members attended this year’s event; it went well.

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

- AGC of America – Recently held a post-election webinar; Republicans have control of both the House and Senate and are currently mending fences with Trump. 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 AGCWA Convention.
- Lee Newgent, Executive Secretary of the Washington Building Trades, plans to retire the end of 2017.
- King County Construction Career Day (KCCCD) was a success. He thanked the AGC Education Foundation staff for their assistance as well as FLF’s involvement. He showed a short, King 5 news video from the event. Fourteen high schools (approximately 500 students) participated in this year’s event.

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- BuildWashington.com update – D’Hondt thanked Sean Lewis for getting the BuildWashington.com website up and running (no public access yet; seeking input from Inland Northwest and partner Construction Center of Excellence at Renton Technical College. AGCWA has secured the website URL as well as the template that’s being used by a number of AGC chapters around the country. Sean Lewis is loading the website with the goal to be operational by October 1, 2016. A job board will be added and it is anticipated to be open to the public by the first part of December and by early January an advertising campaign (bumper stickers, billboards, etc.) seeking funding for construction technical education in the next legislative session.
- Seattle District Manager – Jerry Dinndorf will retire the end of January; the Hiring Committee for this position selected Sonja Forster as his replacement; Ms. Forster is currently employed by Enterprise Washington.
- Questions? Jessica Scarsella questioned if there would be a link from the BuildWashington.com site to the Teamsters Apprenticeship Program? Per D’Hondt, “yes, there will be opportunity for this; both union and open shop will be represented on the website.”

INTERACTIVE DISCUSSION/ACTION

Financial Report – Controller Kelly Barber reviewed the financials for the month ended September 30, 2016. As of September 30, 2016, the preliminary Net Operating Income (NOI) equaled \$1,631k vs. a year-to-date budget NOI of \$770k created a favorable year-to-date total budget variance of \$861k. The year-to-date positive revenue variance of \$539k combined with the positive expense variance of \$322k produced the total favorable year-to-date budget variance of \$861k. The year-to-date positive revenue variance of \$539k was from above budget revenue in all revenue categories. The year-to-date positive expense variance of \$322k was comprised of under budget expenses in most all expense categories. As of September 30, 2016, the AGC’s 2016 annual forecast net operating income equaled \$1,085k versus an annual budget net operating income of \$179k. The AGC Building’s occupancy rate was 100% as of September 30, 2016.

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

Strategic Plan – The Board reviewed the following updated Strategic Plan:

AGC OF WASHINGTON STRATEGIC PLAN

BHAG 1: Create a movement for membership, not a market share.						
Membership Numbers as of October 31, 2016:						
GC (179); SPECIALTY (195); ASSOC. (229): Total: 603						
Membership Numbers as of October 31, 2015:						
GC (174); SPECIALTY (180); ASSOC. (227): Total 581						
(Champions: David D’Hondt, Jake Jacobson)						
Timeframe						
	2015	2016	2017	2018	2019	COMMENTS
SMART GOAL 1: Involve the next generation while respecting all generations by being welcoming and providing meaningful opportunities. Objective I: Survey companies to get a census of the generations. Timeframe: March 2016 Responsible: Stacy Mullane, Officers, Annie Lombroia, Jim Rowley,						Completed
		May				Changed to May to have info for Board Retreat. Committee formed and survey underway.

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Gordon Spencer						
Objective II: Make a plan to have an FLF rep on the AGC Board; maximum age 35. Timeframe: Dec. 1 2015 Responsible: David D'Hondt, Officers, FLF Steering Committee	Dec. 1	Approved at 1/29/16 Annual Mtg.				Completed.
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		Nov.				Completed for 2016
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.			Had Star Wars Night with 250+ in attendance. Increased contacts and Young Constructor members.
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, Andrew Ledbetter			Sept.			In 2017 budget
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: 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.			Dave D met with Steve Sandherr AGCA CEO; discussions underway.
SMART GOAL 3: Create overarching marketing plan for member recruitment. Objective I: Create a timeline and material list for action items.						Changed to 2017 (mistake in 2016)

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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.				Completed.
<u>SMART GOAL 4: Collaborate with the Education Foundation at a higher level.</u> 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. Timeframe: 5 years Responsible: David D'Hondt, Nancy Munro					2020	1 meeting done and 1 more scheduled Collaboration Committee named; Jake Jacobson and Dave D for AGC WA.
Objective II: Work collaboratively with the Education Foundation to educate members on the strengths of the next generations. Timeframe: 2 years Responsible: David D'Hondt, Diane Kocer			Sept.			
Objective III: Work collaboratively with the Education Foundation for mentoring opportunities for the next generations in the construction industry. Timeframe: 2 years Responsible: David D'Hondt, AGC Board, Diane Kocer			Sept.			
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: <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> Timeframe: 5 years Responsible: Kelly Barber, Diane Kocer					2020	AGC of WA paying for reports to get info from new database.
<u>SMART GOAL 5: Increase diversity of AGC membership.</u>						Reported to Board in September

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<p>Objective I: Create a Diversity Task Force that evaluates options and reports back to the Board.</p> <p>Timeframe: Sept. 2016</p> <p>Responsible: David D'Hondt, Nancy Munro, Ken Day</p>							Nancy Munro is working on.
Updated Information highlighted in yellow.							
Completed objectives highlighted in gray.							March, 2016

BHAG 2: To help elect a pro-business majority in the Washington State Legislature by 2020.							
<p>Champions: David D'Hondt, Jake Jacobson, Mike Grace, Ken Day,</p> <p>Annie Lombroia</p>	Timeframe					COMMENTS	
	2015	2016	2017	2018	2019		
<p>SMART GOAL 1: Increase member participation in GAC.</p> <p>Objective I: Create opportunities for Board members to meet with legislators.</p> <p>Timeframe: 2 years</p> <p>Responsible: Jerry VanderWood, District Managers</p>			Oct.			After session	
<p>Objective II: Create opportunities for FLF to participate in government affairs' activities.</p> <p>Timeframe: 2 years</p> <p>Responsible: Michele Willms, Andrew Ledbetter, FLF Steering Comm.</p>			Oct.			After session	
Yellow highlight indicates updated information.							3/17/2016

BHAG 3: Create an industry leading IT program for members and staff that utilizes leading technologies and eases interface.							
<p>(Champions: Kelly Barber, Sean Lewis)</p>	Timeframe					COMMENTS	
	2015	2016	2017	2018	2019		
<p>SMART GOAL 1: Improve technology at AGC of Washington.</p> <p>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.</p> <p>Timeframe: December 2016</p> <p>Responsible: Kelly Barber, Sean Lewis</p>		Dec.	Dec.	Dec.	Dec.	Changed to 2016	

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<p>Objective II: Partner with FLF to test and suggest improvements to the new website and database.</p> <p>Timeframe: June 1st 2016</p> <p>Responsible: Stacy Mullane, Sean Lewis, FLF</p>		<p>Dec.</p>			<p>Changed to Dec. 2016</p> <p>Working bugs out of the new system</p>
<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>	<p>1/31/16 Equipment Installed</p>			<p>Completed.</p>

Updated information highlighted in yellow.

Completed objective highlighted in gray.

3/17/2016

D'Hondt also reported on current and future Workforce Development and Diversity efforts he would like to add to the Strategic Plan with Board approval. They included:

FUTURE WORKFORCE DEVELOPMENT EFFORTS

- BuildWashington.com: website up and running; partnering ongoing; adding Job Board in December; advertising campaign starts January; Bill is under construction and ready for the legislative session;
- Construction presentation messaging: working with Education Foundation and Construction center of Excellence in 2017;
- Coordination with unions and CITC to consolidate WD efforts: working with State Apprenticeship Council and others in 2017;
- Identify school districts: working with Education Foundation and Construction Center of Excellence in 2017.

FUTURE DIVERSITY TASK FORCE EFFORTS

- WSDOT Mentor Protégé Program: define program and start in spring 2017;
- AGCWA DBE member promotion: define program and start in spring 2017;
- DBE recruitment program: define program and start in spring 2017.

Action: It was moved (Rowley), seconded (Traugutt), and carried to approve the Workforce Development efforts and future guidelines as part of AGCWA's Strategic Plan.

Action: It was moved (Traugutt), seconded (Jacobson), and carried to approve the future Diversity Task Force efforts as part of AGCWA's Strategic Plan.

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 \$6,521,598, an increase from 2016 budgeted expense of \$247,686; with a \$108,495 budgeted net operating income for 2017, an decrease of \$70,913 from 2016 budgeted net operating income. 2017 proposed Capital Property and Equipment budget totaled \$705,000 compared to \$718,000 for 2016. 2017 Association Expense proposed budget totaled \$4,190,192 compared to \$4,035,132 for 2016.

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Barber asked Board members to contact any of the Officers, Executive Vice President, or Controller, if they have questions or comments; the 2017 proposed budget will come up for final adoption on December 12, 2016, at the next Board meeting.

Legislative Update – Chief Lobbyist Jerry VanderWood gave a post-election update. He reported that Washington State was virtually a status quo with Inslee winning the Gubernatorial Race over Bryant; and, it appears Republicans will remain in the lead in the Senate, but not likely in the House. It was noted that AGC's BUILD PAC invested more than \$206k during the 2016 elections, thanks in large part to members contributing to the PAC. Per VanderWood, the Republicans will keep control of the US House; State Senator Pramila Jaypal was elected to Cong. Jim McDermott's open seat; the US Senate will continue to be controlled by Republicans. I-732 (carbon ballot measure) failed; I-1643 (public campaign financing) failed; I-1433 (raise minimum wage and mandatory sick leave) passed. In local government races, Pierce County Exec. Bruce Dammeier is leading Rick Talbert; Pierce County Council Dist. 2 Pam Roach is leading Carolyn Edmonds; Pierce County Council Dist. 6 Doug Richardson leads Linda Farmer; Yakima County Council Dist. 1 Mike Leita is leading Eric Geary; Yakima County Council Dist. 2 Debra Manjarrez is behind Ron Anderson currently.

Additional Announcements –

- 11/15 Seattle District Membership Mtg., 7:30 AM, Harborside Rm.
- 12/2 Southern District Holiday Open House, 4-7 PM, Fife office
- 5 Northern District Holiday Open House, 4-6 PM, Bellingham Golf Club
- 6 Central Distr. Holiday Social, Cowiche Kitchen & Ice Bar, Yakima, 5 PM
- 12 Board of Trustees' Mtg., 4 PM - 5 PM, AGC Conf. Center
- Seattle District Holiday Open House, Harborside Rm, 5 - 7 PM
- 15 Central District Holiday Social, 5 PM, Chateau Faire Le Pont, Wenatchee

The meeting was adjourned at 1:20 PM.

Dawn Stephens, Secretary/Treasurer