

**SUMMARY MINUTES
AGC OF WASHINGTON
BOARD OF TRUSTEES MEETING
AGC CONFERENCE CENTER
SEPTEMBER 10, 2018**

BOARD MEMBERS PRESENT

Frank Imhof IMCO General Construction, Inc.
David Bal Signs Now Washington
John Belarde Belarde Company, Inc.
Krissy Dreher McKinstry Co.
Curt Gimmestad Absher Construction Company
Sean Hilt Turner Construction Company
Jake Jacobson Osborne Construction Company
Chris Lang Fisher Construction Group
Paul Mayo Flatiron West, Inc.
Patrick McQueen Lease Crutcher Lewis WA LLC
Shana Peschek Construction Center of Excellence
Ross Pouley RAP Consulting, LLC
Glyn Slattery Lydig Construction, Inc.
Dawn Stephens Charter Construction, Inc.
Jeff Tiegs Lincoln Construction, Inc.
Lindsay Watkins Ahlers Cressman & Sleight PLLC
Sharon Young Concord Construction, Inc.

BOARD MEMBERS ABSENT

Ian McFarland View Dynamic Glass - Resigned
Jim Rowley Howard S. Wright, a Balfour Beatty Co.

STAFF/GUESTS PRESENT

David D'Hondt AGC of Washington
Tim Attebery AGC of Washington
Kelly Barber AGC of Washington
Sonja Forster AGC of Washington
Dave Kearby AGC of Washington
Mandi Kime AGC of Washington
Stacy Mullane AGC of Washington
Dani Tijan AGC of Washington
Jerry VanderWood AGC of Washington
Shawn Hintze UBS Financial Services Inc.
Leah Tribe UBS Financial Services Inc.

CALL TO ORDER

President Frank Imhof called the meeting to order at 11 AM.

CONSENT AGENDA

Action: It was moved (Stephens), seconded (Mayo), and carried to accept / approve the following consent agenda items:

- 1. July financial statements;*
- 2. June summary minutes;*
- 3. July through September Membership Reports (reflected below);*
- 4. Central, Seattle, and Southern district written reports;*
- 5. Group Retro, Labor, Open Shop, and Property department reports.*

July 16 Membership Report (approved by Officers 7/16/18)

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

NEW MEMBERS

ASSOCIATE

Seattle District

Forensic Analytical Consulting Services, Seattle, WA

GENERAL CONTRACTOR

Southern District

Olympic Peninsula Construction, Inc., Poulsbo, WA

SPECIALTY CONTRACTOR

Seattle District

CDT Electrical Group, Kirkland, WA

Engel holdings, Fontano, CA

Powerco Drywall Systems dba Alliance Partition Systems, Arlington, WA

Rainier Asphalt Sealing, LLC, North Bend, WA

Skyline Communications, Everett, WA

Southern District

AA Asphaltting, Inc., Sumner, WA

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YOUNG CONSTRUCTOR

Darren Keegan (Senior Finance Manager)
PBS Supply – 253.395.5550

August 9 Membership Report (approved by Officers 8/9/18)

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

NEW MEMBERS

ASSOCIATE

Seattle District

Maxum Petroleum, Seattle, WA
Signature Financial, Redmond, WA

SPECIALTY CONTRACTOR

Central District

SE Inc., dba Smith Excavation, Cashmere, WA

Seattle District

Crux Diving Inc., Kenmore, WA
J&J Hammer Construction, LLC dba Hammer Construction, LLC, Lynnwood, WA
Sterling Electrical Contractors, Lynnwood, WA

Southern District

Becker Blacktop, LLC, Sumner, WA

September 10 Membership Report

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

NEW MEMBERS

SPECIALTY CONTRACTOR

Seattle District

N I Painting & Construction Co., Bellevue, WA

YOUNG CONSTRUCTOR

Tommy Lozada
Harbor Consulting Engineers
206.294.4032

ORAL REPORTS

AGC Investment Update – Shawn Hintz with UBS Financial Services, AGC of Washington’s new financial advisor, gave an updated AGC investment report through August 31, 2018, for the AGC Retro Fund, Retro Deposit, AGC Retro Contingency, AGC Reserve, and AGC Operating Fund. Hintz reported that AGC monies are invested in high quality portfolio holdings for short-term, conservative investments.

CLC Update by CLC Board Rep. Krissy Dreher – Krissy Dreher gave an updated report on recent and upcoming CLC events, which included:

- Big Event at the AGC Building – 284 participants enjoyed this event.
- Donated 370 jeans to Treehouse foster kids project
- Interbay Golf event, Sept. 27, 4:30 – 7 PM
- Construction Law, Oct. 25, 5:15 – 7:30 PM

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President Frank Imhof Report

1. Officers' actions since last meeting:
 - a. Officers approved the updated March 2018 AGC of Washington Retro Funds Investment Funds operational guidelines.
2. Officers Retreat recap:
 - a. Reviewed historical and current AGC financial data including budget information.
 - b. Reviewed Strategic Plan and 2019 priorities and emphases.
 - c. Review upper limits of dues structure for possible future increase (review markets similar to ours); D'Hondt to take the lead on this research.
3. AGC of America Years of Service Recognition (each received a service plaque):
 - a. Tim Attebery 10 years
 - b. Greg Crisostomo 20 years
 - c. Dave D'Hondt 10 years (Imhof congratulated D'Hondt for his excellent job knowledge)
 - d. Sean Lewis 5 years
4. Discussion items for future Board meetings?
 - a. Trustee Sharon Young questioned if WSDOT could come to a future Board meeting and make a presentation. 1st VP Paul Mayo stated that he would research further by talking to Tyler Kimberley with IMCO, who is on the WSDOT Business Advisory Committee and suggested beginning with an internal meeting first at the November 12 Board Meeting.
5. Trustee Ian McFarland resignation from the Board of Trustees – It was reported that Trustee Ian McFarland submitted his resignation from the Board; he has been promoted and subsequently working out of state in his new position. Past President Jake Jacobson noted that President Imhof will be appointing a replacement (Associate member); recommendations should be given to Imhof.

AGC of America Update – Secretary/Treasurer Dawn Stephens advised that she attended her first AGC of America Board of Directors Meeting last June with the topic of “Future Focus” introduced to the AGC Board Business Plan, to be intertwined in all AGC activities and discussions.

Per Stephens, two noteworthy presenters on the topic of “Future Focus” included Barbara J. Jackson, PhD, DBIA, on the topic of *Delivering the Future*. The second presentation was by Darryl Kysar, Director of Procore.org; his presentation was focused on expected construction shifts in 2018.

Stephens noted that former trustee Ian McFarland was to create a technology task force; however, Stephens suggested AGC of Washington might want to work through this issue at the National level.

Per Stephens, future Board of Director meetings include: October Meeting - tied to NCLC in WA, DC; January Meeting; and, an, April meeting in Denver (National Convention).

Executive Vice President Report – EVP Dave D'Hondt gave updated reports on the following:

- 1) June Board Retreat scavenger hunt – the captains were Frank Imhof and Glyn Slattery, with Slattery's team winning the scavenger hunt.
- 2) Northern District Update:
 - a. Northern District Manager position - advertising to close 9/21; approximately 60+ resumes have been received to date. The Interview committee consists of: Cara Buckingham (Birch Equipment), Chris Lang, Dawn Stephens, Leah Hanson (IMCO), Sonja Forster, Steve Isenhardt, and Dave D'Hondt. It is hoped to fill the position by mid-October.

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- b. Membership – Snohomish County is being added to the Northern District’s area of responsibility, making it the third largest district following Seattle and Fife.
 - c. Special Events – Central District Manager Dave Kearby will handle the Construction portion of Build Washington Awards and Mandi Kime will continue with the Safety portion.

Annual Convention: Stacy Mullane will handle securing the facility; an Annual Convention committee will be formed to organize and detail the specifics of the Annual Convention.
 - d. Reviewed the updated dashboard.
- 3) Diversity & Inclusion Committee update – Budgeting for a big event next year that will recognize DBE members at AGC and promote DBE membership.
 - 4) Operating Engineers settled Friday; it is hoped their members will vote to ratify the contract; Teamsters remain. It was reported that wage increases have been updated on the AGC web site, and updated information will be sent soon.
 - 5) NLRB complaint regarding PLA’s – waiting until negotiations are over before proceeding with this issue.
 - 6) First floor restaurant space – There is a potential restaurant considering the first-floor space. Stephens requested she be e-mailed the terms when / if signed.

It was noted that 1,600 sq. ft. remains on the second floor.

INTERACTIVE DISCUSSION / ACTION

Proposed 2019 Budget Assumptions & Priorities – CFO Kelly Barber reviewed the proposed 2019 Budget Assumptions & Priorities (new language is shown in red font), as follows. The changes in red were agreed upon by the Officers at their August Retreat:

AGC OF WASHINGTON
2019 Budget Assumptions and Priorities

2019 Budget Assumptions:

- 1. **2019** AGC dues budget will equal up to **\$2MM**.
- 2. Total budgeted net income will be positive without reduction in member services.
- 3. AGC will continue support to the Education Foundation, which will be the primary resource for education and training services to the membership and implementing workforce development programs in the school systems.
- 4. The Property Committee will continue to implement and refine the ten-year capital improvement plan to replace old systems.
- 5. AGC Building and Marina budgeted revenues will reflect a minimum 5% vacancyrate.
- 6. AGC Building & Marina profits, if any, will continue to be used to support AGC programs (after providing for necessary capital improvements and maintaining the building at a high level).
- 7. Group Retro program will continue to pay its own operating expenses, provide income to AGC, and AGC will provide the Group Retro program tools and support to grow (i.e. ad campaign, financial reporting, etc.).
- 8. Continue providing resources for safety services to members.
- 9. Continue resources aimed at providing value to future leaders in the industry (CLC).
- 10. Identify and promote non-dues related, income-producing projects, supporting the Association’s strategic directions.
- 11. Continue to measure program effectiveness, member satisfaction and industryneeds.
- 12. Continue to invest in enhancements to internal and external communications to increase participation of members in AGC products, programs and issues, build membership, improve industry image, and promote AGC’s vision, values and positions.

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13. Budget for an appropriate amount of reserves on an annual basis. (Per Board policy #22, the minimum reserve account balance will be the greater of 30% of AGC’s annual budget revenues or the annual earthquake insurance deductible).
14. For major events, e.g. annual meeting, golf tournaments, etc., income will be greater than or equal expenses.
15. Committee meeting costs such as meals and parking will be totally subsidized for participants.
16. AGC’s 2019 Charter Fee, payable to AGC of America, will be \$322.5K.
17. The Government Affairs department budgets will be capped at 15% or less of total Association expenses, so that AGC of Washington does not jeopardize its 501(c) 6 tax exempt status.

2019 Budget Priorities (ranked as A, B, C for Strategic Plan purposes):

1. Fund Strategic Plan goals. **A**
2. Explore legal paths to limit use of government-mandated/negotiated project labor agreements (PLA’s). **A**
3. Collaborate with AGC Education Foundation Executive Committee to improve communications, transparency, and development of goals. **A**
4. Continue dialogue with universities (UW, WSU, and CWU) on what we can do to mutually support each other. **B**
5. Review upper limits of dues structure for possible future increase (review markets similar to ours). **A**
6. Engage an individual and AGC of America to review fair and open competition in Best Value work in the State of Washington. **A**

Regarding 2019 Budget Priorities, #5, Dave D’Hondt is taking the lead on this issue.

GAC Legislative Update (including AGC’s BUILD-PAC) – Chief Lobbyist Jerry VanderWood reported on GAC legislative updates including AGC’s BUILD-PAC, as follows:

- 1) Disseminated a list of 2018 AGC’s BUILD-PAC endorsements
- 2) Ballot measure opposed = I-1631 Carbon Tax
- 3) Primary election did not bode very well for Republicans; the General election will determine the playing field.
- 4) Appealing I-200; any interest, let Frank Imhof know
- 5) AGC of America endorsed Rossi

Safety Developments – Safety Director Mandi Kime circulated a list of safety and health rules updates that included: Stute Policy change (Jacobson encouraged everyone to read their indemnity language carefully), Fall Protection (requested physical presence at meetings), asbestos, cranes, confined spaces, OSHA-recordkeeping/reporting, OSHA-Silica, lead, temporary elevators, trolley lines, and cone setting.

It was reported that Thursday, Sept. 13, there is scheduled a CARE Leadership & Culture Training (10 AM, N/C) as well as a Culture of CARE Pledge Luncheon (12 Noon, N/C). Everyone was encouraged to attend these free events.

Jacobson, portfolio officer for the Safety Committee, praised the great relationship this group has with the Dept. of L&I and the overall great job done by Mandi Kime and her team.

OTHER BUSINESS

Announcements:

Sept. 12	Southern District Membership Dinner, 5 PM, Tacoma Country Club
Sept. 18	Seattle District Membership Breakfast, 7 AM, Broadmoor Country Club
Sept. 30-Oct. 3	NCLC, WA DC
Oct. 3	Southern District Membership Dinner, 5 PM, Tacoma Country Club
Oct. 16	Seattle District Membership Breakfast, 7 AM, Broadmoor Country Club
Oct. 17	Contractor’s Exchange / Federal Facilities 3-yr. outlook, 9 AM – 3:30 PM, AGC Conference Center
Nov. 7	Southern District Membership Dinner, 5 PM, Tacoma Country Club
Nov. 12	Board of Trustees Mtg., 11 AM – 1:30 PM, AGC Conference Center

ADJOURN

There being no further business, the meeting adjourned at 1:15 PM.

Dawn Stephens, Secretary/Treasurer

Date