

**SUMMARY MINUTES  
AGC OF WASHINGTON  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 12, 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  
Chris Lang Fisher Construction Group  
Brent Levander Centennial Contractors Enterprises  
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.  
Gordon Spencer Teknon Corporation  
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

**STAFF/GUESTS PRESENT**

David D'Hondt AGC of Washington  
Tim Attebery 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  
Diane Kocer AGC Education Foundation  
Mandi Kime AGC of Washington  
Sean Lewis AGC of Washington  
Dani Tijan AGC of Washington  
Dee Riley Lydig Construction, Inc.  
Greg Robinson Marshall & Sullivan  
Tom Rogers Northwest Cascade

**CALL TO ORDER**

President Nancy Munro called the meeting to order at 11:10 AM.

**CONSENT AGENDA**

*April and June Summary Minutes*

**Action: It was moved (Mayo), seconded (Levander), and carried to accept the April and June summary minutes as presented.**

*July through September Membership Reports*

**It was moved (Lane), seconded (Slattery), and carried to accept the July through September Membership reports as presented (see below).**

**Re: July Membership Report (approved by Officers 7/11/16)**

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

**NEW MEMBERS**

**ASSOCIATE**

**Seattle District**

Safety Dynamics Inc., Normandy Park, WA

**CONSTRUCTOR**

**Seattle District**

SB Structures LLC, Kent, WA

**INTRODUCTORY GENERAL CONTRACTOR**

**Central District**

Columbia Asphalt & Gravel, Inc., Parker, WA

**INTRODUCTORY RETRO GENERAL CONTRACTOR**

**Northern District**

Spang Buildings, Inc., Mount Vernon, WA

**Seattle District**

Aldrich & Associates, Inc., Bothell, WA

R Miller Inc., Bothell, WA

**INTRODUCTORY RETRO SPECIALTY CONTRACTOR**

**Seattle District**

Versatile Drilling Contractors, Inc., Seattle, WA

**Southern District**

Eagle Harbor Associates, LLC, Lacey, WA

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**SPECIALTY CONTRACTOR**

**Southern District**

Western Partitions, Tigard, OR

**Re: August Membership Report (approved by Officers 8/11/16)**

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

**NEW MEMBERS**

**ASSOCIATE**

**Seattle District**

Cascade Trench Safety, Maple Valley, WA

Sedgwick LLP, Seattle, WA

**Southern District**

AEP Span, Tacoma, WA

Mercedes-Benz of Tacoma, Fife, WA

**INTRODUCTORY SPECIALTY CONTRACTOR**

**Northern District**

Exteriors Plus Northwest LLC, Arlington, WA

**SPECIALTY CONTRACTOR**

**Seattle District**

Condon-Johnson & Associates, Inc., Kent, WA

**Southern District**

American Pump and Electric, Tumwater, WA

**MEMBER REINSTATEMENT**

**Southern District**

Shimmick Construction Co. Inc. – Non-Home GC – returning after being dropped by the Board of Trustees for non-payment in April, 2016 dues have been paid-in-full.

**RETRO**

*The following companies are Inland Northwest AGC members who met the criteria for and paid a \$100 fee to participate in the AGC of Washington's Workers' Compensation Group Retro:*

Clearwater Construction & Management

DGR\*Grant Construction

Mackin & Little

**Re: September Membership Report**

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

**NEW MEMBERS**

**ASSOCIATE**

**Seattle District**

Intuitive Safety Solutions, Inc., Edmonds, WA

Procure Technologies, Carpinteria, CA

**Southern District**

Chick of All Trades, LLC, Portland, OR

**SPECIALTY CONTRACTOR**

**Seattle District**

Winchester Construction, Bothell, WA

**YOUNG CONSTRUCTOR**

Joe Reynolds – Scott Coatings – 425.572.6018 ext. 24

**WRITTEN REPORTS**

***Action: It was moved (Imhof), seconded (Mayo), and carried to accept the Central, Northern, Seattle, and Southern district written reports. It was moved (Grace), seconded (Slattery), and carried to accept the Group Retro, Labor, Property and Safety written reports.***

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**ORAL REPORTS**

AGC Investment Portfolio Review – Greg Robinson with Marshall & Sullivan gave an update on AGC’s investment portfolio. The Asset Class breakdown in stocks, bonds, cash and their current value as of this review was:

Cash & Equivalents	\$141,584
Fixed Income	\$1,163,828
Emerging Markets	\$67,866
International	\$192,617
Small Capitalization	\$300,732
U.S. Equities	\$727,859

Robinson advised that Marshall & Sullivan are low risk money managers. Anyone wishing to receive an M&S newsletter should contact Greg Crisostomo at the AGC Seattle office.

FLF Report – FLF Representative to the Board, Jessica Scarsella, gave an updated report on the Future Leadership Forum; upcoming activities/events include:

- Session 4 in the Leadership series, “Eating for Energy,” will be held Thursday.
- Philanthropy “Treehouse Wearhouse” project has been completed.
- Rainiers’ social was a big success; this included a round-trip chartered bus to Cheney Stadium for the Rainiers’ game.
- FLF Steering Committee is accepting online applications (or contact Andrew Ledbetter) for next year’s steering committee.

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

- ST3 – Board of Trustees voted via e-mail to remain neutral on the ST3 issue by a vote of 10 to 8.
- Officers’ Retreat was held August 11-12; incoming 2<sup>nd</sup> VP Paul Mayo was invited to participate.
- Workforce Development Task Force finished its WD Framework (see below) and sought Board approval. (Note: **AGC** = areas with AGC involvement; **EF** = areas with Education Foundation involvement.)

**AGC OF WASHINGTON WORKFORCE DEVELOPMENT FRAMEWORK**

Legislation (Government Affairs)

- State **AGC**
- Federal – AGC of America WFD plan **AGC**

Construction Career Image & Education  
(Educate the Educators)

- Externships **AGC EF**

Construction Career Awareness  
(Learning about Work)

- Career Fairs **AGC EF**
- Worksite Tours **EF**
- Career Presentations (Panel & Speakers) **AGC EF**

Construction Career Exploration  
(Learning for Work)

- Job Shadowing **EF**
- Internships

- Networking Events **EF**
- Student Prep Workshop **AGC**

Construction Career Prep  
(Learning through Work)

- Instructional Worksite Learning
- Cooperative Worksite Learning
- Internships
- Extended Learning
- Distance / Virtual Internships

Construction Career Skills Training & Education  
(Learning in Work)

- Apprenticeship **AGC**
- Clinical Experience
- On-the-Job Training

A Workforce Development Collaboration Meeting has been scheduled with AGCWA/AGC Education Foundation on Sept. 14 (committee members include: Nancy Munro, Jake Jacobson, Glyn Slattery, Dave D’Hondt, Elaine Irvin, Rick Workman, Matt Lessard, and Diane Kocer).

**2017 Workforce Development priorities include:**

- BuildWashington.com
- Construction presentation messaging
- Coordination with unions and CITC to consolidate WD efforts
- Identify “blue collar” school districts

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***Action: It was moved (Mayo), seconded (Young), and carried to approve the above AGC Workforce Development Framework and priorities as presented.***

- Diversity Task Force members include Nancy Munro, Jake Jacobson, Dee Riley, Suzie Spencer, Brian Guthrie, and Dave D'Hondt. Dee Riley to report on AGCA's recent Diversity and Inclusion Meeting. Per Munro, the task force has reviewed WSDOT's Small and Veteran's Business Enforceable Goals Program (for state money only projects); also, Women Leaders in Construction – per Dawn Stephens, this group constitutes a high caliber of women supporting the construction industry, including safety and general contractor representatives. Stephens is a member of this group and is talking to them about what AGCWA is and can do for them. Munro also reported that Earl Key, WSDOT Director of the Office of Equal Opportunity extended an invitation to AGC to participate in a speed networking event on Oct. 11 at the Museum of Flight.

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

- AGC of America – Only construction association that represents the entire construction industry (all occupational disciplines; union/open shop; GC's/Specialties) and the only construction association to advocate on all issues impacting the industry (legislative, regulatory, judicial).
- BuildWashington.com update – 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. It came preloaded, and the intent is to add a job search section with focus on the 19-29-year old age group. An advertising campaign will begin next year. AGCWA is actively involved in seeking funding for construction technical education in the next legislative session. It was noted that AGCWA is keeping Bill Bryant current on this issue.
- Seattle District Manager position – The application deadline for the Seattle District Manager position has been extended until September 26.

AGC of America Diversity & Inclusion Forum Presentation - Dee Riley, Diversity Manager with Lydig Construction, reported on her recent attendance at AGCA's Diversity & Inclusion Forum. Per Riley, lessons learned included:

- Diversity and inclusion is important
- Need to understand and value diversity (recognize our own biases; and, encourage open dialogue)
- Need to demonstrate cultural sensitivity (there is more than one right way to do things; act without bias)
- Work for change (challenge the "way we've always done it"; speak up about inappropriate comments/behavior; be an ally)

Per Riley, the forum was facilitated by Maria Hernandez, who asked the attendees the following questions:

- How can AGC encourage member company owners to support AGC's strategic diversity and inclusion goals?
- What AGC resources and/or events would be most effective in advancing the careers or businesses of individuals from under-represented groups?
- As a result of a greater emphasis on diversity and inclusion, what kinds of outcomes or results will make the created positive impact on AGC's existing membership?
- What existing or new external resources can AGC leverage to advance diversity and inclusion within its membership?

The top ten responses were:

- Create an AGC webpage focused on diversity and inclusion with a broad diversity statement.
- Dedicate one individual to manage AGC's diversity and inclusion initiatives, full-time.
- Collect, analyze and distribute data to support the business case for diversity and inclusion.
- Create a diversity and inclusion awards program that highlights the successful efforts of member companies and their employees.
- Update and provide support for a chapter mentor-protégé program.
- Encourage variable dues/fees for new member companies from underrepresented groups.
- Create a diversity and inclusion toolkit for AGC chapters.
- Include a session on diversity and inclusion and/or networking event for attendees from under-represented groups at every AGC of America event.
- Create AGC membership directory of DBEs that includes certifications, capacity, type of work performed, etc.
- Encourage AGC leadership to appoint members to the Board of Directors from a diverse pool of candidates.
- Create an AGC diversity and inclusion forum.
- Institute diversity and inclusion training for AGC staff

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- Include images and language that demonstrate diversity in AGC marketing and promotion materials.
- Partner with external stakeholders and programs that focus on diversity in the construction industry.

Riley's recommendations to the Board included:

- Create a survey similar to AGCA's, that would cover AGCWA's jurisdiction.
- Hire a consultant and implement diversity and inclusion training for AGC staff and members.

D'Hondt reported that he would update the Board on this issue after the upcoming NCLC meeting in Washington, DC. It was hoped a clearer definition of what comprises a "disadvantaged business" would be developed soon. D'Hondt reported that AGCWA currently has about 50 WMBEs. Per D'Hondt, consideration is being given to schedule a facilitator for the 2017 Board Retreat similar to what AGCA did.

AGC Education Foundation Presentation – Executive Director Diane Kocer gave an updated report on the AGC Education Foundation. She reported that Rick Workman with Lease Crutcher Lewis WA has been installed as the new president, joined by four new board members: Gene Colin, Ferguson Construction; Paul Garlock, Lydig Construction; Gregory Mettler, CalPortland; Thomas Mosby, Puget Sound Skills Center; and, Elaine Ervin, partner at Moss Adams, moved to the past president/treasurer role. Kocer explained that their Strategic Plan drives everything they do. She reported that AGCWA and AGC Education Foundation are scheduled to meet Thursday for a collaborative meeting regarding workforce development. In addition to workforce development, the Foundation continues to focus on continuing education, fundraising, and scholarships. Per Kocer, staff (Adrienne Woods) represents the Foundation on the FLF Steering Committee. Foundation courses offered include: Lean Construction Certification, STP, Flagging Certification, CTS, First-Aid/CPR, Project Management, Sustainability, Leadership, Public Speaking (new), etc. Kocer invited members to use the Foundation (Dan Morris) as a resource for finding classes, whether offered through the Foundation or not.

**INTERACTIVE DISCUSSION/ACTION**

Financial Report – Executive Vice President Dave D'Hondt reviewed the financials for the month ended July 31, 2016. As of July 31, 2016, the Net Operating Income (NOI) equaled \$1,741k vs. a year-to-date budget NOI of \$934k creating a favorable year-to-date total budget variance of \$807k. The year-to-date positive revenue variance of \$519k combined with the positive expense variance of \$288k produced the total favorable year-to-date budget variance of \$807k. The year-to-date positive revenue variance of \$519k was from above budget revenue in all revenue categories. The year-to-date positive expense variance of \$288k was comprised of under budget expenses in almost all expense categories. As of July 31, 2016, AGC's 2016 annual forecast net operating income equaled \$991k versus an annual budget net operating income of \$179k. The building's occupancy rate was 100% as of July 31, 2016.

***Action: It was moved (Lang), seconded (Traugutt) and carried to accept the July financials as presented.***

Proposed 2017 Budget Assumptions & Priorities – D'Hondt reviewed and recommended approval of the Proposed 2017 Budget Assumptions and Priorities, which were developed by the Officers at their recent retreat:

**AGC OF WASHINGTON  
2017 Proposed Budget Assumptions and Priorities**

**2017 Budget Assumptions:**

1. 2017 AGC dues budget will equal up to 1.725MM.
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% vacancy rate.
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).

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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 (FLF).
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 industry needs.
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.
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 2017 Charter Fee, payable to AGC of America, will be **\$306.5K**.
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.

**2017 Budget Priorities (ranked as A, B, C for Strategic Plan purposes):**

1. Collaborate with AGC Education Foundation Executive Committee to improve communications, transparency, and development of goals. **A**
2. Continue dialogue with universities (UW, WSU, and CWU) on what we can do to mutually support each other. **A**
3. Adopt new technologies and increase resource allocation, as appropriate, to improve and expand AGC's delivery of information and communication to members. **A**
4. **Provide resources towards diversity efforts. A**
5. **Continue to evaluate difference between recommended reserves and actual cash/investments. B**
6. **Increase efforts to promote Safety Team as a premiere benefit to drive membership. A**
7. **Support AGC's Workforce Development efforts. A**

***Action: It was moved (Jacobson), seconded (Mayo), and carried to approve the proposed 2017 Budget Assumptions and Priorities as presented.***

**OTHER BUSINESS**

President Munro welcomed Tom Rogers with Northwest Cascade from the southern district (So. District Prez).

Bill Bender noted that UW and CWU would be starting soon. He re-enforced the opinion that construction management is not on most parents' radar; they need to be better educated.

Chris Lang (winning team) and Bill Bender (losing team) were recognized as the team leaders that navigated the electric boats at the June Board Retreat's teambuilding session.

Jake Jacobson encouraged attendance at the September 22 Bill Bryant fundraiser, 5 PM, AGC Commons.

D'Hondt reported that the Seaplane Museum project continues on the Museum of Flight's 2017 Strategic Plan; however, no serious offer has been made to AGCWA to date.

Mandi Kime invited everyone to attend the next Safety Forum on October 6; also, on Oct. 14, CWU's Industrial Engineering Dept. will be celebrating Women in Industry; Kime will assist with hosting this event.

It was reported that Dave Kearby lost the 15<sup>th</sup> district State Representative race by 13 votes.

**Additional Announcements –**

9/14	Southern District Membership Mtg., 5 PM, Tacoma Country Club
9/20	Seattle District Membership Mtg., 7:30 AM, Harborside Room
10/5	Southern District Membership Mtg., 5 PM, Tacoma Country Club
10/6	King County Construction Career Day, Magnusson Park
10/18	Seattle District Membership Mtg., 7:30 AM, Harborside Rm.
11/2	Southern District Membership Mtg., 5 PM, Tacoma Country Club
	Seattle District Federal Facilities/Contractor Exchange, AGC Conference Center
11/14	Board of Trustees' Mtg., 11 AM – 1:30 PM, AGC Conference Center
11/15	Seattle District Membership Mtg., 7:30 AM, Harborside Rm.

The meeting was adjourned at 1:15 PM.

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Dawn Stephens, Secretary/Treasurer