

Associated General Contractors of Alaska
Executive Board Meeting
December 9, 2015
Anchorage, Alaska

MINUTES

1. Call to Order – Opening Comments:

The meeting was called to order promptly at 11:00 am by AGC President Dana Pruhs.

2. Roll Call/Quorum

In attendance in Anchorage were Immediate Past President Meg Nordale, President Dana Pruhs, Vice President Dan Hall, Secretary Jim St. George, Treasurer Mike Shaw, Associate member Traci Johnson, member-at-large Tony Johansen and life board member Jim Fergusson.

Also in attendance were Executive Director John MacKinnon and Assistant Executive Director Molly Marler

Dana asked about the second page of the agenda listing the upcoming events and asked about the dates of the 2016 conference. John noted the conference dates for 2016 are November 9-12. He mentioned that the general election is Tuesday, November 8 and that can complicate the conference. Ferguson asks how that can be. John explains depending on whether or not someone is elected who is requested to speak or participate in some way. There is usually an organizational meeting for the majority and the minority that takes place a few days after the election. In the past, this has resulted in difficulties getting legislators to the Thursday night 49ers dinner. He said it is always less of a problem in a non-election year and one that doesn't have a special session at that time.

3. Approval of Minutes – October 6, 2015

Meg Nordale made a motion to approve the minutes from the October 6th, 2015 Executive Board Meeting. After a second from Mike Shaw, the meeting minutes were accepted unanimously.

4. Communications

Enclosed was a copy of that letter given to each elected Board member. John pointed out that all who were elected received the letter and included in the packet was a list.

John reported that he sent out requests for the membership to take a position on Hilcorp's Liberty project. Hilcorp appreciated the efforts and the letters that came in. John reiterated that that it's important for our industry as well as Oil and Gas to support production and progress in Alaska. John noted that he always tries to make the responses as easy as possible for members to respond.

Also included in the packet was the October 30 letter to Governor Walker regarding required registered apprenticeships. John met with DOT Commissioner Mark Luiken and DOL Commissioner Heidi Drygas last week and they received the message loud and clear on where AGC stood on the issue. Jim St George mentioned that they have been trying to get the native corporations involved in this issue and urged John and the AGC to please try those efforts again as he felt it's in their best interests. Dana said we have to be careful about giving hard lined recommendations.

Tom Anderson solicited John's assistance in writing on Alaska's Natural Resources in the Alaska Business Monthly. John included it in the packet as he felt the board should know that he didn't pass up an opportunity to do a shameless plug for AGC. He mentioned that he ended up writing most of it.

John noted the press release in the Journal of commerce which included the elected Board of Directors for AGC 2015-2016.

John highlighted the prestigious construction awards presented at the conference as were highlighted in Alaska Business Monthly. He added that the timing of their deadline and the announcement of the winners is extremely difficult to keep the lid on and something he must always watch for in their publications.

Included in the packet were many Thank you letters from the PAC contributions, John's participation in the Commonwealth North Alaska's economy "then and Now" and a letter from Donna Walker expressing thank you for the participation and the invite to the Dinner Dance.

5. NEW BUSINESS

a) Board appointments

The president may appoint up to 6 contractors and up to 3 associate members. Jim Ferguson noted that during his presidency with the AGC, he waived the right to appointments and that there is nothing in the bylaws saying those must be filled . Dana would like to appoint the 5 contractors who are listed that were nominated but not voted in. These are:

RT Lindner –Johnson River Construction

Dave Shahnazarian – American Marine Corporation

Regina Daniels – Davis Block and Concrete

Scott Bucher – Bucher Glass

Tom Fisher – Aaron Plumbing & Heating

Ferguson took issue with the contractor license issue that was brought up at the election during conference. He wanted to know if Davis Blocks' changing from an associate member to a specialty contractor was verified by the state with a contractor's license. Dana pointed out that this is not the place of the AGC or the Board of Directors to question a contractor's license. He recommends

Dana also appointed Associate members:

Ben Ryan – Ryan Air

Kelly Layman – Marsh & McLennan

Kirk Currey – Construction Machinery Inc

Dana recommended that John review the bylaws. Meg noted that she would like to have a task force together to review the bylaws. Dan asked what the process for asking these people to serve as a board member is. John said that they receive a letter congratulating them. Before they accept nomination, they have already received a board of director job duties (given before the election). Meg noted during her presidency, she continually reminded the board that their duty was to attend the meetings, participate and sell PAC tickets. She also said that the board-as a whole - were appreciative of the reminders. Dana recommended sending out a letter to all active committee members and board members stating the AGC's and the president's appreciation of their service to the construction industry in Alaska. Meg said she would like to have the letter come from her. They asked Molly to provide them with a list of all committee members and the board. Jim Ferguson wanted to discuss the bylaws review noting that another example for need to change them is having more than one person per company being able to serve and vote on the board. John said that it depends on the membership type – regular versus subsidiaries and noted examples of Colaska and chulista . Jim stressed that it

needs to be talked about and considered as a bylaws change. John agrees that having the bylaws reviewed in the near future would be prudent.

Meg Nordale makes a motion to have a two member bylaw committee to review the bylaws. Tony Johansen seconds - Task force will be Mike Shaw and Meg Nordale.

b. revised budget

John addressed the 5% reduction requested from the board in October and passed it out. He noted what was approved before was in blue. Overall office expense reduction of \$10,000. The Fairbanks office expense also will see a reduction. This will be by making better decisions regarding purchases. John also forgoes the 3% pay increase for staff this year. Online plans bulletin operation decisions still looked to be beneficial to the membership. John renegotiated the contract to the uploading contractor for that service to a flat fee saving approx. \$10-12 thousand yearly. Public relations hosting will be reduced by \$10,000. Janitorial services reduced to twice a week. National dues changed their program and with their calculation reduced by approx. \$60K. Ferguson recommended that the reserve account receive \$30,000 instead of the \$69,000. Dana mentioned the deferred maintenance. Jim said the reserve is VERY healthy and AGC should not continue to put more into it for now to alleviate the budget issue. Dana thought that was the wrong message to the membership. Shaw asked what the percentage of contribution is. Jim explained it's over the time of the account. (?) He reiterated he is not suggesting taking money out of the reserve, he is suggesting putting less money into it during the economic uncertainty. Jim says there is enough money to do something for the staff 3% and the other things possibly needed. Dan suggested reevaluating the medical costs. John says that the deductible used to be \$500 now it's at \$2500. This reduced the premium by \$26K. Dana said that they made a motion for John to do reduce the budget in October, that is now what he had done and by suggesting all these extra things is an attempt at micromanaging – and that is not the place of the board. Dana asked for a follow-up on what happens in March. Meg asked how we ended up with the volume dues issue after the audit. Dana said lets discuss that in the financials part of the meeting. Meg said that this should be done as part of the budget reduction. Dana tabled it or the financials. Jim Ferguson wants a copy of the full audit report as soon as possible.

The E board stopped to watch the Governor roll out his budget plan.

c. Fiscal Plan

Jim Ferguson contended that as an organization he found hard to believe that there would be no reporting requirements for contributions to the One Alaska coalition. John carefully researched and discovered that since there is no ballot proposition,

there are no reporting requirements. John said that Jim got dinged due to school bonding requirements and that has nothing to do with this issue. Ferguson was concerned if this ends up on a ballot, and AGC contributes this month, they could be in trouble. Dana said that One Alaska (Ron Duncan) was asking AGC and the leadership there within to get involved and not state what the fiscal fix is, but educate the public that a fiscal fix is required. John again reported AGC does not have a reporting requirement as long as this isn't on an upcoming ballot – it is something that is before the legislature, not the constituents. Jim said that the request from Ron Duncan is to the association, not the individual contributors. Meg noted that the request is to the association as well, so that level of financial contribution is unlimited. John agreed that because it is not related to the APOC and not on a constituent ballot. Meg asked what the board of directors would like to do. Do they want to contribute? Dana said that according to the board response at the November Board of Directors Meeting, yes.

Meg makes a motion to contribute \$25,000 to the One Alaska to come out of the reserve account. 2nd by Dan Hall. Approved unanimously.

Mike Shaw offered to go to CIPF to see if the unions would consider support.

Motion to go into executive session for the executive director's evaluation.