AGC of California held its Spring State Board of Directors meeting on Thursday, May 15, at the Monterey Plaza Hotel in Monterey, CA. President Wayne Lindholm, Hensel Phelps Construction Co., welcomed Past Presidents and guests to Monterey. A moment of silence was taken for Past Southern California Chapter Presidents Martin Matich (1962), Leo Majich (1966 & 1967), and for Vicki Schlechter, Executive Director of the Construction Industry Crime Prevention Program (CICP).

President’s Report: President Lindholm noted that the Executive Committee had met once since its January meeting. During this meeting, held the previous day, the Committee received an update on current legal activities of the Legal Advisory Committee (LAC) and its extensive review of the AGC of America Consensus Docs for potential use in California. President Lindholm reported that the Committee approved trustee appointment requests for John Nunan, Unger Construction Co., to serve on the California Construction Advancement Program (CCAP) board, and reappointment of Ralph Larison, Herzog Contracting Corp., to the Fund for Construction Industry Advancement (FCIA) board. In other business, the Committee reviewed the audited financial statements, and approved the Audit Committee’s request to establish a separate Investment Committee (responsibility previously was with the Audit committee). The Committee also reviewed and approved a formal Reserve Fund Policy to maintain reserve fund levels in the event of a sustained economic slowdown in revenues or for capital expenditures. A report of activities at the National level was provided and recapped the 1% dues assessment passed by AGC of America. President Lindholm noted that the Committee agreed that while the cumulative effect of the assessment would be approximately $63,000, AGC of California would absorb the dues increase from existing income. Other reports received included first quarter financial statements, membership, and a legislative update.

CEO’s Report: CEO Tom Holsman touched on the subject of the new IRS filing requirements of Form 990 for non-profit associations. He noted that the guiding principles of this new form were to promote compliance and higher accountability of filing organizations.

Mr. Holsman also reported on the Association’s Strategic Scorecard and highlighted key areas of accomplishments in both Regulatory and Education & Training. AGC remains at the forefront for regulatory and legislative advocacy. He noted that AGC has been actively working with key agencies regarding alternative project delivery and design-build, OSHPD regulations, infrastructure, DVBE regulations, safety and health, as well as dealing with the DIR regarding
hauling and prevailing wage. As a strategic goal to increase educational programs, AGC established successful partnerships with various programs to offer Continuing Education Units (CEU) for legal, advanced management, and finance. In addition Mr. Holsman asked the State Board of Directors to join him in thanking the entire staff for their great work and for “making us all look good.”

Consent Agenda: Directors approved the January minutes, written District and Committee/Council reports, the financial Report and the quarterly membership report.

Special Guest Speaker – Dan Walters, Political Journalist: Dan Walters, lead political journalist for The Sacramento Bee, addressed California’s economic and political future. California was at the forefront of the great mortgage meltdown and has the third worst unemployment rate in the United States due to zero job growth and a growing population. Mr. Walters stated that we are in a recession but believes it will be short lived. The most evident issue facing California is infrastructure and the need for more transportation facilities, schools, and water facilities. Walters reported that the infrastructure deficit is so large that no general fund will be able to cover the total costs. The infrastructure will not improve the State’s infrastructure unless there is a sustained program to provide a constant flow of infrastructure investment whether its through gas taxes, tolls, or user fees. Unfortunately, with the term limits for elected officials it promotes focus on near-term business issues rather than long-term programs.

New Business:
Membership Report: Sr.Vice President Tom Foss, Griffith Co., reported on first quarter and year-to-date membership numbers. He reported that the Association is currently at 1,180 members and at 96% retention for Contractor Members and 86% retention for Associate Members. He also announced the following members were inducted to the President’s Club: Jennifer Kinkel of McGraw-Hill Construction Dodge; Rocky Miller of Cox, Castle & Nicholson, LLP; Mark Thurman of ARB Structures, Inc.; and Rick Viefhaus of Penhall Company.

Communications Taskforce Update: Taskforce Chair, Greg Reed of International Surfacing Systems, unveiled the newly redesigned AGC of California website and showed a demo that navigated through the website’s new features. Mr. Reed gave special thanks to the members on the taskforce for their efforts and hard work in completing the communications audit.

AGC of America – Jeff Shoaf, Sr. Executive Director: Jeff Shoaf, Sr. Executive Director of Government & Public Affairs, reported on legislative efforts at the National level. He noted that the 1% dues assessment was put into place for a Public Awareness and Advocacy Fund to focus efforts on sustained public education and public motivation to advocate legislative issues such as fixing the highway deficit. AGC of America is working on several pieces of legislation that include fighting the proposed gas tax, debating immigration, repealing the 3% withholding tax on contractors, and eliminating the death tax. He urged members to get in involved and contact their Congress Members to help fight these issues.
**Audited 2007 Financial Statement Review:** Treasurer Gerry DiIoli, Herzog Contracting Corp., reviewed the consolidated financial statements completed from the audit. He reported that the AGC Education Foundation activities were included in the 2007 consolidated reports. The Association’s net asset base has increased over the previous year, and expenses for 2007 were up from 2006, however, the Association continues to have financially stability. Mr. DiIoli concluded his report with review of the first quarter financial report, and the State Board of Directors approved the audited and first quarter financials as submitted.

**Capital Improvements:** Vice President Bob Christenson, Panattoni Construction Inc., discussed increased real estate holdings as potential non-dues revenue opportunities and presented three options: 1) Renovate the West Sacramento facility 2) Purchase land in West Sacramento to build a brand new building or 3) Purchase property in the Concord/East Bay area. He noted that all of the options were with the intent to lease out the extra space and expand facility use for meetings and training. By consensus, it was decided that the Executive Committee use the task force to continue to study the financial costs and benefits of each option and report back to the State Board at the October meeting.

**Legislative Update:** Legislative Committee Chair David Colón, NK DAVID CONSTRUCTORS, reviewed a request to allocate funds to protect Proposition 42 during the States Budget crisis. The State Board of Directors approved to allocate $100,000 from the Legislative Fund for future public relations efforts to protect the intended use of Proposition 42 money.

AGC Legislative Advocate, Dave Ackerman, reviewed Propositions 98 & 99 that will appear on the June 3, 2008 Primary Statewide ballot. In a close decision of the Executive Committee it was recommended that AGC “oppose” Proposition 98 and take “no position” on Proposition 99. The recommended position was taken based on the potential negative impact Proposition 98 could have on various public infrastructure, especially water projects. The State Board of Directors approved the recommended positions.

President Lindholm announced the new AGC 120 Club that contributes to the California PAC. The name generates from the 80 Assembly Members and 40 Senators in the California State Legislature. He encouraged everyone to join and make their voice stronger for the industry.

David Colón asked everyone to mark their calendars for Legislative Day, scheduled for June 18, 2008 in Sacramento, CA.

**Division Reports:** Detailed highlights from the Division meetings are attached.

**AGC Education Foundation:** Chair Frank Schipper, Frank Schipper Construction Co., provided an update on the foundation’s activities. He reported that the Foundation established subcommittees to increase workforce development awareness, obtain scholarship grants, and establish college and university partnerships. Executive Director Sabrina Watts provided a presentation on the recent Career in Construction Awareness Day (CCAD) held in Sacramento, which had 1,200 students in attendance. This is year was also the first year that a CCAD was
held in the Central Valley and had 385 students in attendance. Both career days were a great success.

**Associates Council Update:** Associates Council Chair Gary Rohman, ECCO Equipment Corporation, reported on activities and events of the Associates Council, which typically meets on a quarterly basis in conjunction with Association’s board meetings and conferences. He reported that the council sponsors the AGC President’s Scholarship Fund that is awarded annually to a construction management student. Future interests of the council include putting together an educational seminar for small businesses during the Fall Conference.

**Other business:**

**Air Quality Update:** Gary Rohman provided an update on air quality issues, and the latest efforts of the Construction Industry Air Quality Coalition (CIAQC). He requested that AGC contribute matching funds towards CIAQC’s continuing efforts to educate the public. The State Board of Directors approved allocation up to $100,000 from the Legislative Fund to promote public education and provide reasonable regulations on air quality.

**Announcements & Future Meetings:** President Lindholm announced that the Safety Awards of Excellence Luncheon will be held in Southern California this year on June 10, 2008 at the Hilton-Orange County. He thanked all those in attendance, and announced that the next State Board of Directors meeting is October 16, 2008 at the Hyatt Grand Champions in Indian Wells, CA.
Building Division Board of Directors
Meeting Highlights
May 15, 2008

The Building Division Meeting was held on May 15, 2008. Chair John Nunan, Unger Construction Company, called the meeting to order followed by approval of the January meeting minutes.

Tower Crane Safety: Peter Juhren, National Services Manager for Morrow Equipment Company LLC, provided an informative discussion centered on planning for a successful and safe project. He discussed selecting the proper crane for a project, preparing for operation, codes and regulations, technology and safety devices, safe operating practices and policies, and the importance of training.

Office of Statewide Health Planning and Development (OSHPD): Gordon Oakley, OSHPD Deputy Division Chief, Sacramento – Facilities Development Division, reviewed new policies and procedures as well as administration regulations, building codes, and the new change order process.

AGC of America Building Division Update: Frank Schipper, Frank Schipper Construction Co., spoke to the Division about the need to be active not only in the state but also at the national level for the improvement of the industry. He asked those present to review the various national committees and become involved.

Building Information Modeling (BIM) Forum: CEO Tom Holsman, AGC of California, updated the Division about what AGC of America and AGC of California are doing regarding the BIM Forum. The BIM Forum is a conglomeration of leaders throughout the industry who have joined forces to facilitate and accelerate the adoption of BIM, and AGC of California will be offering courses to train members on this new program.

AGC of America Legislative Update: Jeffrey D. Shoaf, Senior Executive Director Government and Public Affairs at AGC of America, updated the Division on several key pieces of legislation including the withholding tax, death tax, and funding water quality legislation.

University of California Update: Chair John Nunan reported on the ongoing partnership with UC facilities personnel, as well as AGC’s position regarding the UC Contract Documents. Further discussions are planned to complete the revision.

Contract Documents Update: Vice Chair of the LAC Michael Jurkovich of Kimble, MacMichael & Upton, provided an updated on the LAC’s review AGC of America Consensus Docs. He noted that the review should be completed by June.

Air & Water Quality Update: Gary Rohman of ECCO Equipment Corporation, and Dan McGrew of Griffith Company, briefly gave the Division updates on both the air and water quality issues facing the industry.
Next Meeting: The next meeting is scheduled on October 15, 2008 at the Hyatt Grand Champions Resort in Indian Wells, CA. Any questions relative to the Building Division should be directed to the Building Division Director John Hakel.
Joint Engineering Division Board of Directors
Meeting Highlights
May 15, 2008

The Joint Engineering Division Meeting was held on May 15, 2008. Chair Chris Hickey, Agee Construction Corp., called the meeting to order followed by approval of the January meeting minutes.

California’s Waterways: James Haussener, Executive Director California Marine Affairs and Navigation Conference, discussed the issues that affect construction in and around California’s waterways, including funding for dredging and other infrastructure improvements.

Caltrans Current and Future Workload – Vision for Program Delivery: Mark Leja, Chief Caltrans Division of Construction provided a historical view of past workload and upcoming and future projects, which can be accessed through the Caltrans website. Mr. Leja also provided an overview of keeping delivery commitments, enhancing partnerships with industry, and priority initiatives underway.

CPM and Partnering: Dan Himick, C. C. Myers Inc., defined the two primary barriers with CPM and Partnering as being the claims process and scheduling. He summarized the following as ways to overcome these barriers:

- Meet or beat the schedule on every project
- Minimize impact to the traveling public
- Everyone owns the schedule
- Complete buy in from all parties is essential to meet or exceed the goals,
- Meet anticipated costs, and achieve major savings by keeping to the schedule
- No injuries - safety is our first core value

Legislative Update: Dave Ackerman, DGA Associates, reviewed current governmental issues including the May Budget Revise and a proposed Budget Stabilization Act.

CELSOC Update: Cathy Skeen, Excel Bonding, revealed the name change from CELSOC to American Council for Engineering Companies (ACEC). She invited all AGC members to participate in the upcoming liaison meeting scheduled July 15, 2008, at 10 a.m. in the AGC West Sacramento Office.

Water Regulations Update: Dan McGrew, Griffith Company, reported on the new qualifications for SWPPP and noted that the level of industry involvement needed to be raised within the public and private sectors. He urged members to get involved with local and state legislators.

California Air Resources Board (CARB) Update: Gary Rohman, ECCO Equipment Corporation, provided an overview of discussion items for the Educational Seminar and reviewed the rules and requirements worksheet CARB has online.
U.S. Navy: U.S. Navy Commander Christine Lonie provided an overview of how to do business with the military, what to expect from contracts, and how to ensure repeat business. She also reported on the major acquisitions on the forefront.

Education & Training: Sabrina Watts, AGC Education Foundation Executive Director, announced upcoming courses available through AGC that included a Supervisory Training Program, Executive Leadership in Construction Training that also provides 3.0 CEUs, and a Quality Control Course offered through a partnership with the Army Core of Engineers.

The Next Meeting: The next meeting is scheduled for October 15, 2008 at the Hyatt Grand Champions Resort in Indian Wells, CA. Any questions relative to the Joint Engineering Division should be directed to the Joint Engineering Division Director Sam Hassoun or Russ Snyder.