I. CALL TO ORDER:

President Lansdell called the meeting to order at 8:00 a.m.

A. Welcome – President Lansdell

President Lansdell welcomed the Board members to the meeting and introduced Vice President Simon and new Board members Messrs. Fluetsch, Groeschel, Raught and Vidimos. He also introduced Council of Chapter Representatives Chair, Mr. Samia and Labor Committee representatives, Messrs. Gunning and Ilten.

B. Self-Introductions

Board members proceeded with self-introductions.

C. Call for Additional Agenda Items

President Lansdell requested that Board members identify new business items not already covered in the agenda. No items were brought to the President’s attention.

ATTENDANCE:
Members of the Executive Committee:
Joseph R. Lansdell – President
Jack Knox – President-Elect
Nathan Dills – Secretary-Treasurer
Angela Simon – Vice President
Guy M. Gast – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
II. STRATEGIC DISCUSSION

President Lansdell introduced the topic and advised the Board that the purpose of the discussion was to come to a common understanding/alignment on SMACNA’s Labor Relations objectives, policies and approach to labor relations to ensure contractor competitiveness now and in the future. He advised that SMACNA Labor Committee representatives were invited to participate in the strategic discussion.

Staff and Labor Committee members reviewed two previously distributed draft documents:

- The first was a one-page synopsis of SMACNA Labor Relations Policy and Strategy.
- The second was a multi-page document that expanded information on SMACNA’s labor relations services, objectives and strategies. This document can be used as an educational piece for chapters and contractors.
The Board engaged in thorough discussion and commentary regarding the following issues:

- SMACNA’s approach and strategy in labor relations activities;
- Chapter and Contractor concerns;
- The need to consider the impact on the customer of any labor relations initiatives by SMACNA or SMART;
- The role and function of SMACNA’s Labor Committee, Panelists and National Joint Adjustment Board members;
- Common and divergent interests of SMACNA and SMART;
- The strength and weaknesses of SMACNA and SMART local structures and leadership;
- The best strategies for making a clear impression on SMART of the legitimacy and value of contractor objectives;
- The need for, and value of, increased instances of constructive interactions and communication with the SMART leadership;
- The need for SMACNA to make contractors feel their interests are well represented in the labor relations arena;
- Developing a set of contractor competitiveness objectives to affirmatively pursue; and
- Updating the History of the Standard Form of Union Agreement (SFUA) to provide the background and interpretation of language contained in the most recent version of the SFUA.

At the conclusion, of the discussion it was agreed that prior to distribution, the one-page statement of objectives and strategy should be revised to include a stronger statement about the interests of the customer. No other edits were suggested. (Exhibit IV).

III. CONSENT AGENDA

The Consent Agenda consists of recent prior Board and Executive Committee Meeting Reports and the Executive Staff reports identified in the Board Meeting workbooks.

A motion was made, seconded and approved to approve the following meeting reports and staff reports as presented in items A. and B. below and contained in the Board of Directors workbooks.

A. Meeting Reports
   1. July 2016 Board of Directors Meeting Report (Exhibit I)
   2. October 2016 Executive Committee Meeting Report (Exhibit II)
   3. January 2017 Executive Committee Meeting Report (Exhibit III)
B. Executive Staff Reports (general activity reports requiring little or no discussion)
   1. Labor Relations Update – Ms. Wyandt
   2. Market Sectors Council Update – Mr. Soles
   3. Technical Services Update – Mr. Howard
   4. Government Relations Update – Mr. Sandusky

IV. OPERATIONAL AGENDA

A. Policy Review – Mr. Kelly
   1. Anti-Trust
      Mr. Kelly discussed issues related to the Board of Directors governance of the Association and reviewed SMACNA’s Antitrust Compliance Policy and Procedures.
   2. Conflict of Interest
      Mr. Kelly reviewed the Conflict of Interest Policy adopted by the Board of Directors’ at its January 2006 meeting and explained the Conflict of Interest Disclosure Statement. Board members submitted signed and completed statements to Mr. Soles.
   3. Whistleblower
      Mr. Kelly discussed the basis for the SMACNA Whistleblower Policy and reviewed the policy with Board members.

B. Responsibilities of Directors – Mr. Kelly
   Mr. Kelly discussed Board members’ fiduciary responsibilities as members of SMACNA’s Board of Directors (care, loyalty and obedience) from a legal and practical perspective. He referred Board members to an exhibit developed by ASAE on the responsibilities of directors contained in Board meeting workbooks.

C. Financial – Secretary-Treasurer Dills/Mr. Sandusky
   1. Year-to-Date Financial Statements
      Secretary-Treasurer Dills introduced the financial section of the meeting and requested that Mr. Sandusky review workbook exhibits with the Board. Mr. Sandusky reported man-hours for 2016 were up 5.36% over the prior year versus a 2% projected budget increase for 2016. He reported on an anticipated ~$2M surplus through calendar year-end and informed the Board of an expected $300-$400,000 balance in IFUS at 2016 year-end reconciliation. (2016 financial exhibits in the workbooks were through November 2016 because of early January meeting date).
2. **Investment Report**
Mr. Sandusky noted the $8.1M in the SMACNA investment account and referred Board members to investment exhibits beginning on page 106 of the Board Meeting workbooks. He commented that equity investment returns for 2016 were approximately 10%.

D. **Industry Updates**
1. **New Horizons Foundation – Mr. Gast**
   Mr. Gast informed the Board that the NHF was in sound financial shape and had recently received contribution commitments of $200,000. He advised the Board of new projects underway including offsite pre-fabrication – how does it improve productivity and using outside resources to improve operations. He also reported on the release of the updated Futures Study and the New Market Risk Assessment project, the latter which is being offered as a SMACNA Chapter Education Program in 2017.

2. **iTi/NEMI/SMOHIT Update – Messrs. Jones, Kocurek, Raught and Howard.**
   Messrs. Jones, Kocurek, Raught and Howard reported on activities of the iTi, NEMI and SMOHIT and commented on the improved labor and management trustee cooperation in addressing administrative and program issues.

3. **National Pension Fund – Mr. Sandusky**
   Mr. Sandusky referred Board members to a Board Meeting workbook exhibit containing a presentation by NPF Administrator, Lori Wood, at the December Council of Chapter Representatives meeting. He reviewed exhibit specifics on the current state of the NPF, and informed the Board that Mr. Lansdell would replace the late Mr. Meyers as a Management Trustee in March 2017.

E. **Membership/Market Sectors/Education/Safety – Mr. Soles**
   Mr. Soles referred Board members to his Consensus Report beginning on page 61 of the Board Meeting workbooks, and commented on the Associate Members, Premier Partners, Product Show growth and the positive relationship between the SMACNA Safety Department and SMOHIT.

1. **Cloud-based Subscription Service for SMACNA Standards, Manuals and Guidelines – Update on adoption, use and next steps**
   Mr. Soles updated the Board on the continuing member access to this Subscription Service since its launch in late October. 21% of SMACNA member companies have visited this site. Non-member, paid subscription promotion is set to begin later this month.
New features currently being addressed by the platform provider include enhanced mobile access with the pageview feature and a project focused repository for standards and project team notes.

2. **Digital Media Update and Goals**
   Mr. Soles reported on increased member engagement with SMACNA social media sites and departmental goals to establish a digital and social media metrics dashboard for use by SMACNA departments. He discussed a new budget item to deploy a program, Higher Logic, which will replace current listservs with searchable discussion forums, improve the member directory search features, provide a platform for a Speakers Bureau for chapter use and additional features that will engage member company personnel at all levels.

3. **Business Management Committee and Operations Manual Task Force Update**
   Mr. Soles reported that all National multi-day SMACNA educational programs for 2016 were sold out and that the 2017 programs were scheduled and receiving member registrations. The Business Management Committee will be discussing an Advanced Project Management Program for presentation in the fall 2017, and a Multi-Day Leadership Institute for 2018. Eight New Chapter Education and Supervisory Training programs were added to the 2017 educational programs delivered through SMACNA chapters bringing the combined offerings to 22 programs.

   Mr. Soles commented that updates and revisions to SMACNA’s Contractor Operations Manual continues with four new manuals scheduled for release during the first quarter (Guide to IT, Materials and Inventory Management, Principles of Job Costing, and Personnel Policies and Procedures), and the following scheduled for completion in 2017, pending Budget approval:
   - Guide to Shop Burden
   - Lean Transformation
   - Ownership Transition and Management Succession
   - Contract Delivery Methods (White Paper)

4. **Market Sectors Council Update**
   Mr. Soles reported on significant Market Sectors Council projects including a shift in emphasis to the development of white papers such as the recent *Business Case for BIM* and *Making RFI’s More Effective*, and planned papers on *Virtual Design in the Architectural Metals Sector* and *Enhancing Your Customer Service Operations*. He reported on the recent meeting between SMART’s Industrial Committee and SMACNA’s Industrial Contractors Council Steering Committee and a planned joint meeting between the two organizations’ Architectural Sheet Metal Council Steering Committees.
   The Board discussed Mr. Groeschel’s topic regarding development of a SMACNA Estimating Manual. Mr. Soles reported this topic is an agenda item for the HVAC Contractors Council Steering Committee meeting in February, and apprised the Board of the 2016 developments and discussions relating to SMACNA’s Reference Manual for Labor Units, the Octaviano National Mechanical Estimator document, and MCAA’s LEM. Board members questioned the undertaking given the availability of industry estimating software, the individual nature of company estimating techniques, the continual impact of pre-fab, spooling and other productivity enhancements and the anticipated extraordinary costs to develop and maintain such a manual. The Board will await input from the HVAC Contractors Council Steering Committee.

F. **Technical Services – Mr. Howard**

1. **2017 Project Outlook**
   Mr. Howard discussed Technical Standards and projects under development for 2017 including:
   - ANSI Canvass Accreditation for the Thermoset Fiberglass Reinforced Plastic (FRP) Duct Standards 2nd Edition
   - Kitchen Grease Duct Fabrication Tables
   - Proposed revisions and testing to the HVAC Duct Construction Standard – Metal & Flexible, 4th Edition (ANSI)
   - Shop Fabrication Layout Guide
   - Food Fabrication Guideline Manual scope of work development
   - IRCA TF Method of Test development feasibility determination
   - Ongoing Technical Standards Testing.

2. **2017 Chapter Educational Programs**
   Mr. Howard reported on the Chapter Technical Education Programs planned for 2017.

3. **2017 Industry Meetings**
   Mr. Howard commented on his department’s industry liaison activities and meetings with various industry organizations identified in the Technical Department Consensus Report to the Board.
Mr. Howard discussed SMACNA’s continued interaction and successes in engaging national model building codes, uniform mechanical and California mechanical codes and provided the board with specific examples.

G. Board Liaison Reports – President Lansdell
President Lansdell referred to the Board liaison exhibit in the Board workbooks and invited members to comment on their liaison experiences.

August 10, 2016  Carol Duncan – CAL SMACNA Board of Directors Meeting – Sacramento, CA

September 8-11, 2016  Guy Gast/Vince Sandusky – Bay Area SMACNA Board of Directors Meeting Getaway, Napa, CA

September 17, 2016  Guy Gast/Vince Sandusky/Deb Wyandt – SMCA of Central Indiana & Ft. Wayne Annual Labor Appreciation Dinner, Indianapolis, IN

November 2, 2016  Carol Duncan – CAL SMACNA Board of Directors Meeting, Marina del Ray, CA

November 19, 2016  Joseph Lansdell/Vince Sandusky – Bay Area SMACNA Annual Dinner, San Francisco, CA


H. Annual Convention
1. 2016 Results
Mr. Sandusky reported on the 2016 Convention Summary financial results noting that actual (estimated) income was $971,209 versus a budget of $801,875 against actual (estimated) expenses of $1,175,550 versus a budget of $1,073,550. Net income improved by $68,000 over budget amount, and there were approximately 100 more full registration packages than budgeted/expected.

2. Convention Committee Recommendations
   a. 2017 Registration Fees
Convention registration fees were last adjusted prior to the 2013 event in Maui. The Board discussed at length a proposal from the Convention Committee recommending a registration fee increase for 2017. A chart was provided by
the Convention Committee indicating the new hard dollar fee schedule. A motion was made, seconded and approved to adopt the Convention Committee’s recommendation.

b. **2022 Location**
The Board discussed a recommendation from the Convention Committee to conduct the 2022 SMACNA Annual Convention in Marco Island, FL, and that if no locations in Marco Island have availability/mutually agreeable rates, conduct the Convention that year in Nashville, TN. A motion was made, seconded and approved to adopt the Convention Committee’s recommendation.

3. **Discussion – IFUS and SMACNA Annual Business Meetings – Is there better use of the time during the Convention?**
The Board, staff and legal counsel discussed this consideration and possible constraints (legal and practical) to restructuring the Convention schedule and business meetings of IFUS and SMACNA. The Board agreed that a recommendation should be presented at the July Board of Directors Meeting for action, and if approved, presented to the membership at the Annual Business Meeting in Maui.

I. **Council of Chapter Representatives Report – Council Chair, Joseph Samia**
Mr. Samia reported on proceedings from the December 2016 Council of Chapter Representatives Meeting and referred Board members to the meeting report in the Board workbooks beginning on page 118. There were no recommendations necessitating Board action.

J. **Labor Relations – Ms. Wyandt**
1. **2017 Bargaining Outlook**
Ms. Wyandt discussed the 2016 sheet metal contract settlements with the Board and provided an overview of the 2017 industry bargaining and the resources that SMACNA has available to assist local chapter bargainers.

2. **Market R&D Projects Update**
Mr. Sandusky provided an overview of the SMART-SMACNA Market Research and Development Project to identify and address issues in local markets that hinder capturing additional market share for the union industry. He discussed the status of the Market R & D projects, including the February 2017 workshop on building a market recovery plan and workforce that will be held in Atlanta.
3. **Best Practices/Partners in Progress Update**
   Secretary-Treasurer Dills provided the Board with a short update on the SMACNA/SMART Best Practices Market Expansion Task Force initiatives. Mr. Dills addressed plans for the 2018 Partners in Progress Conference, the Task Force Strategic Plan and Website redesign.

4. **SMART Hero Program**
   Ms. Wyandt provided details of the SMART Hero Program that is designed to provide departing members of the Armed Forces with concentrated seven weeks training and advanced placement as second year apprentices into local JATC programs that provide for direct entry. She relayed the first pilot program is slated for Joint Base Lewis McCord in Washington State. If successful, the SMART Hero program may serve as a model that could be implemented at other JATC’s near military bases. Mr. Fluetsch commented that local relationships, enthusiasm for the program and base proximity all aligned for a successful launch.

5. **SMACNA/SMART H2B Visa Program**
   Mr. Kelly apprised the Board of the work the Felhaber firm is doing to facilitate the SMACNA/SMART H2B Visa program that would support the hiring of Canadian crafts persons for trades’ work in the US.

6. **Wage Equalization Update**
   Ms. Wyandt provided an overview of the August Labor Committee and the December Executive and Labor Committee meetings with SMART to discuss their proposal to modify wage equalization methodology. She explained that the SMACNA representatives at those meetings stressed that any methodology changes would have to be negotiated by the local SMACNA Chapter and SMART Local Union, and calculations must be based on wages and ratios in building trades’ collective bargaining agreements rather than “sweetheart contracts” negotiated by individual contractors. She further advised that SMACNA was advocating that contractors should be able to rely on actual fabrication costs to determine if wage equalization have been met. SMACNA representatives were also pursuing other contractor objectives, including pooling of wage equalization money and common sense exclusions to wage equalization. Further, SMACNA was attempting to reinstate discussions with SMART on parameters for the exclusion of wage equalization requirements for spiral pipe and fittings.

7. **Discussion – Role of SMACNA in Apprentice Recruitment – Mr. Groeschel**
   The Board discussed an item submitted by Board Member Ken Groeschel regarding ways that SMACNA could support local apprentice recruitment efforts. Board members offered multiple ideas and shared successful experiences and techniques from areas around the country. After discussion, there was consensus that SMACNA should focus efforts on collecting, perhaps jointly with SMART,
“best practices” and case studies of successful recruitment practices and ensure that information is given wide distribution throughout the industry.

K. Appointment of Legal Counsel – President Lansdell
President Lansdell and Mr. Sandusky reported on General Counsel and Labor Counsel 2016 activities on behalf of the Association. Mr. Kelly commented on his firm’s work and long affiliation with SMACNA. A motion was made, seconded and approved to appoint the firm, Felhaber, Larson, as Legal Counsel to SMACNA for calendar year 2017.

L. Appointment of Officer Nominating Committee – President Lansdell
President Lansdell discussed the election of the Officer Nominating Committee and presented the slate of Anthony E. Kocurek, Hank Artlip, Carol Duncan and automatic appointees, Jack Knox and Nathan Dills. A motion was made, seconded and approved to approve the appointments as presented.

M. Action on Proposed 2017 Budget – Secretary-Treasurer Dills
Messrs. Dills and Sandusky discussed the 2016 budget proposed by the Budget and Finance Committee and the distinctions between the Operating Budget and New Projects Budget. Senior Staff commented on new project proposals in their areas of responsibilities.

A motion was made, seconded and approved to approve a 2017 Operating Revenue Budget of $12,594,188 and an Operating Expense Budget of $11,435,478.

A motion was made, seconded and approved to approve a 2017 New Project Expense Budget of $122,400.

V. OPEN DISCUSSION

A. Department of Commerce Workforce Development Committee – Mr. Yeager
Mr. Yeager updated the Board on the activities of the Department of Commerce Workforce Development Committee.

B. Other Issues
None.
VI. ADJOURNMENT

Having no further business to discuss, a motion was made, seconded and approved to adjourn the meeting to an Executive Session with the CEO at 4:35 p.m.

VII. EXECUTIVE SESSION WITH CEO

VIII. EXECUTIVE SESSION BOARD ONLY
I. CALL TO ORDER:

President Gast called the meeting to order at 8:00 a.m.

A. Welcome – President Gast

President Gast welcomed the Board members to the meeting and the SMART members; General President Sellers, General Secretary-Treasurer McClees, Director of Craft Services Mulcahy, Assistant to the General President Powell, and the Assistant to the General President Marc Norberg. He also welcomed Council of Chapter Representatives Chair, Mr. Bigham and Mr. Clark Ellis of Continuum Advisory Group.

President Gast also recognized and expressed his appreciation of Board members attending their last Board meeting; Messer’s DeMusis, Ricci, Eustace, Gundlach, and especially departing Executive Committee Member, Immediate Past-President Thomas Szymczak.

B. Self-Introductions

Board members proceeded with self-introductions.

C. Call for Additional Agenda Items

President Gast requested that Board members identify new business items not already covered in the agenda. No items were brought to the President’s attention.

ATTENDANCE:

Members of the Executive Committee:
Guy M. Gast – President
Joseph R. Lansdell – President-Elect
Jack Knox – Secretary-Treasurer
Nathan Dills – Vice President
Thomas A. Szymczak – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer

Members of the Board of Directors:
Hank Artlip
Craig Benson
Thomas DeMusis
Danny Dillon
Carol Duncan
William T. Eustace
John Gundlach
Todd W. Hill

Angelo Iannucci
K. Joe Isom
Anthony E. Kocurek
Alfred Leidner
Roy Ricci
John E. Sickle, Jr.
Arthur Williams
Raymond Yeager

Excused:
Frank Battaglino
Kevin Jones

Staff and Legal Counsel:
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources
Daniel R. Kelly, Felhaber Larson – SMACNA General Counsel
Michael G. McNally, Felhaber Larson – SMACNA Labor Counsel

Guests:
James E. Bigham – Chair, Council of Chapter Representatives
Clark Ellis of Continuum Advisory Group

SMART Representatives:
General President Joseph Sellers
Secretary-Treasurer Rich McClees
Director of Craft Services Charles Mulcahy
Assistant to the General President Joe Powell
Assistant to the General President Marc Norberg

II. STRATEGIC DISCUSSION

A. Mr. Sandusky introduced Clark Ellis of Continuum Advisory Group who previewed the results and findings of the New Horizons Foundation’s update of The HVAC and Sheet Metal Industry Futures Study. Board members discussed their experiences of industry change since the last report including new trends in BIM addressing facilities management, changes driven by codes and regulations, the expansion of available data and its capture and productive use, changes in the supply chain and limitation of
choices, and the Internet of Things and implications for the construction and service sectors.

B. SMART Update

SMART General President Joseph Sellers discussed SMART strategic initiatives within the union. The Board members and SMART executive staff commented on the challenges facing travelling contractors and workers, re-enlisting SMART workers who left the trade during the recession, encouraging apprentices to be the pushers of new technologies and not simply the recipients, and other issues.

III. CONSENT AGENDA

The Consent Agenda consists of recent prior Board and Executive Committee Meeting Reports and the Executive Staff reports identified in sections A. and B. below, and contained in the Board Meeting workbooks.

A motion was made, seconded and approved to approve the following meeting reports and staff reports as presented.

A. Meeting Reports
   1. January 2016 Board of Directors Meeting Report (Exhibit I)
   2. July 2016 Executive Committee Meeting Report (Exhibit II)

B. Executive Staff Reports (general activity reports requiring little or no discussion)
   1. Labor Relations Update – Ms. Wyandt
   2. Market Sectors Council Update – Mr. Soles
   3. Technical Services Update – Mr. Howard
   4. Government Relations Update – Mr. Sandusky

IV. OPERATIONAL AGENDA

A. Financial – Secretary-Treasurer Knox/CEO - Mr. Sandusky
   1. Year-to-Date Financial Statements
      Secretary-Treasurer Knox and CEO Sandusky reported that SMACNA’s finances were in sound shape. Mr. Sandusky reported on a $1.7 million surplus, income over expenses through June 30, 2016. Man-hours were up 9% over the same 2015 six-month period. 2016 man-hours were budgeted at a 2% increase over 2015.
2. **Investment Report**

   Mr. Sandusky referred to the investment exhibits in the Board meeting books and noted that the total investment portfolio was at $7.6M with returns of about 4.6% for the equity investments through June 30, 2016. $1.2M were added to the reserve account in January and the Executive Committee authorized an additional $300,000 to be transferred to the reserve account at its July 16th meeting. Mr. Sandusky commented that the headquarters renovation loan would be paid off next year without penalty.

B. **Industry Updates**

1. **New Horizons Foundation – President Gast**

   Mr. Gast informed the Board of increases in Foundation contributions and updated them on the following projects in the pipeline: evaluating risks of market entry project, a paper on marketing and business development strategies regardless of size, a customer service whitepaper, the futures study update, and evaluating productivity gains from off-site fabrication.

2. **iTi/NEMI/SMOHIT Update – Messer’s Howard and Kocurek**

   Messer’s Kocurek and Howard informed the Board about current projects and issues at the three Joint Trusts including: Lean Curriculum, Building Enclosures Curriculum and Certification, Infectious Risk Control Certification, updating JATC accreditations, revamping the printing guidelines at the iTi, issues related to fire life safety certifications and the success of the ICB/TABB convention held earlier this year.

3. **National Pension Fund – Immediate Past President Szymczak**

   Immediate Past President Szymczak discussed pending issues before the National Pension Fund including the lack of impact of VBAR to date as the smoothing for the $1.3 B loss in 2008 comes to an end. He reported that there were no planned increases to contributions and that labor/management collaboration has been very proactive.

4. **Association Leadership Meeting – President Gast**

   President Gast updated the Board on the agenda items and issues addressed at the spring Association Leadership Meeting

C. **Technical Services – Mr. Howard**

1. **Program and Project Update – Expansion of Several Consent Agenda Items**

   Mr. Howard discussed select items from the technical department consent agenda including the following:

   - Hiring of a new Project Manager in the Technical Department
   - Technical Standards Developments
D. Policy Recommendations – President Gast

1. Legislative Policy Updates
President Gast discussed four legislative policy recommendations from SMACNA’s Legislative Committee for Board adoption; the Miller Act Reform Policy, Alcohol and Substance Abuse Policy, Federal Contracts Standard Policy, and the Employee Risk Notification Policy.

A motion was made, seconded and approved to adopt these new policy recommendations.

E. Membership/Market Sectors/Education/Safety – Mr. Soles
Mr. Soles discussed the continuing success of all of the SMACNA Business Management and Education Programs this year and the growth in the Associate Member and Product Show for 2016. He also reported on SMACNA’s newest Premier Partner, Milwaukee Tools and efforts to enlist a sixth and final partner into this unique and lucrative program.

1. New Member Benefit – SMACNA Technical Library Cloud Based Subscription Service for Members
Mr. Soles provided the Board with a demonstration of the capabilities of the cloud based subscription service for SMACNA’s Technical Library to be launched in the next 60 days. Members will receive one gratis seat for the entire library and can add additional seats at nominal costs.

2. New Change Order Tools – Excel Spreadsheet and Change Order Web-Based App
Mr. Soles exhibited two new change order tools; one Excel spreadsheet and the other a web-based App available to SMACNA members only at no cost later this month.

3. Web-Based SMACNA Reference Manual for Labor Units
Mr. Soles previewed the new web-based SMACNA Reference Manual for Labor Units scheduled for release before the convention.

4. SMACNA Operations Manual – Revisions and Expansion
Mr. Soles commented on the multi-year project to revise and expand SMACNA’s Contractor Operations Manual and reported on manual topics under discussion. Current manuals completed and scheduled for release this fall include; Job
Costing, Inventory Management, IT and Human Resources. The Task Force is also identifying E-learning resources to offer select educational resources through that learning channel.

F. Government Relations – Mr. Sandusky

1. Pension Reform Update

Mr. Sandusky reported on issues relating to pension reform legislation and SMACNA’s focus on preparing for the opportunity to move this legislation in this session of Congress.

G. Board Liaison Reports – President Gast

President Gast and others commented Board Liaison activity occurring during the first six months of the year including:

- January 28-31, 2016: Vince Sandusky – SMACNA Greater Chicago Board Retreat, Scottsdale, AZ
- March 30-31, 2016: Carol Duncan – CAL SMACNA Board of Directors Meeting, Carlsbad, CA
- March 30-April 3, 2016: Guy Gast/Vince Sandusky/Deb Wyandt – CAL SMACNA 50th Anniversary Annual Convention, Carlsbad, CA
- April 6-10, 2016: Guy Gast – Iowa Chapter/NE States Sheet Metal Council/S-SW Sheet Metal Conference, Punta Cana, Dominican Republic (Eli Howard also attended)
- April 14-17, 2016: Guy Gast/Vince Sandusky – SMACNA Greater Chicago Annual Conference, Newport Beach, CA
- May 10, 2016: Guy Gast/Vince Sandusky – SMACNA Mid-Atlantic Chapter Meeting, Greenbelt, MD
- June 12-14, 2016: Vince Sandusky – Bay Area Getaway Meeting, Lake Tahoe, NV
- June 13, 2016: Tom Szymczak – St. Louis SMACNA Chapter Outing, St. Louis, MO

July 7, 2016  Guy Gast/Joseph Lansdell/Vince Sandusky/Deb Wyandt – SMACNA Metropolitan Detroit Chapter, Troy, MI

H. Chapter of Council Representatives Report - Council Chair James Bigham
Mr. Bigham reported on proceedings from the June 6-7, 2016 Council of Chapter Representatives meeting. The Board discussed a recommendation from the Council as follows:

“... that the SMACNA Board of Directors review ways to provide the necessary resources to assist chapters in monitoring and acting on state local legislative initiatives impacting SMACNA members.”

Board members discussed the great difficulty in providing direct assistance to Chapters across the country from a very limited National Staff focused on National Legislative and Regulatory issues. It was noted that there is routine communication on State Legislative issues through the Chapter Listserve provided by SMACNA.

Staff was tasked with developing an options paper for satisfying the intent of this recommendation.

I. Labor Relations – Ms. Wyandt
1. SMART Update
   a. Union Label Program
      Ms. Wyandt discussed the SMART Union Label App Program and the SMACNA Labor Departments outreach to member questions and concerns. Board members commented that for the most part enforcement of this program is not being pursued by labor in their areas.

   b. Wage Equalization Update
      Ms. Wyandt reported on SMACNA’s communications with members and chapters on advice and guidance on SMART’s proposed changes to wage equalization, and her March 28th and June 10th letters to General President Sellers addressing SMART’s crew cost wage equalization methodology. Communication with SMART on this issue continues with another meeting scheduled for late August.

   c. Detroit Open Area Situation
      Ms. Wyandt introduced the topic of SMART’s unilateral declaration of the Local 80 jurisdiction as an “open area” with full mobility and elimination of wage
equalization requirements for out of area contractors performing work in this jurisdiction.

The Board discussed the March 8th letter from SMACNA’s Executive Committee to General President Sellers expressing concerns not only over SMART’s unilateral action but the legality of it as well. SMART rescinded the open area declaration effective March 31, 2016.

Board member Todd Hill, commenting on behalf of the Detroit chapter, expressed concerns that SMACNA’s actions did not meet the expectations of the Detroit chapter. After a lengthy discussion regarding the specifics of the Detroit situation and the efforts and actions of SMACNA to address the situation, a motion was made, seconded and approved that we as a Board affirm in the highest fashion possible the actions taken by the Executive Committee to support our contractors in Detroit.

Additional lengthy discussion ensued regarding SMACNA’s objectives and successes in the labor-management arena. It was the consensus of the Board that SMACNA engage in a process to thoroughly examine and adjust its approach to the SMACNA-SMART relationship. That process should take into account SMART’s change in strategy and tactics in attempting to achieve its labor-management objectives and SMACNA’s assessment of how the labor-management relationship must be conducted in order for union contractors to be competitive through the next decade and beyond.

d. Gulf States Council
Ms. Wyandt discussed SMART’s new Southwest/Gulf Coast Regional Council and its charge to coordinate collective bargaining efforts in the region and to establish administrative efficiencies.

e. Union Merger 273/104
Ms. Wyandt commented on the merger of these two locals’ effective April 1, 2016.

2. 2016 Industry Bargaining
a. Settlement Trends
Ms. Wyandt reported that 30 SMACNA chapters were negotiating new agreements in 2016 and referred Board members to the settlement to date exhibit in the Board workbooks.

b. SMART Review of Local CBA’s
   (1). iTi, NEMI, SMOHIT
   The Board discussed a June 1, 2016 memorandum to Business Managers and JATC Coordinators from the three Joint-Trust Administrators
requiring employers to pay contributions into the Funds for Local Union officials, organizers, instructors and JATC Coordinators. Ms. Wyandt discussed a memorandum on the issue to Chapters from her department and indicated that the matter would be addressed by the Trustees at the upcoming Joint Trusts meetings.

(2). SMART Basic Minimum Provisions of SFUA
Ms. Wyandt informed the Board that SMART is reviewing all expiring Collective Bargaining Agreements to determine whether the agreement contains all of the “basic minimum provisions” that SMART requires its local unions to include in their local agreements.

3. Market R&D Pilot Projects – Mr. Sandusky
Mr. Sandusky discussed the three pilot areas, DC, Atlanta and Houston, participating in the Market Share R&D project focusing on recovery of lost markets and preservation of current markets.

4. Best Practices Market Expansion Task Force – Mr. Dills
   a. 2018 PiP Conference
Mr. Dills reported that the Trustees of the Sheet Metal Labor-Management Cooperation Fund met via teleconference in May and approved a motion to move forward with the 2018 Partners in Progress Conference at a place and dates to be determined.

   b. Local Partnership Program – Columbia Chapter SMACNA/Local 16
      Oregon – Ms. Duncan
Ms. Duncan reported on details from a Columbia SMACNA Chapter/Local 16 Partnership Program held in January with a goal of developing a long-term blueprint for the Oregon/SW Washington unionized sheet metal industry within Local 16’s jurisdiction.

5. Other Labor Relations Discussion Items
   a. Legal Issues Related to ESOP’s When Employees Are Unionized – Messer’s DeMusis, Kelly and McNally
Mr. DeMusis commented that at the last SMCA Philadelphia BOD meeting, the question was raised about Employee Stock Ownership Plans (ESOPs) not being a viable option as an exit strategy for owners, due to legal restrictions when employees are members of a collective bargaining unit. Philadelphia has seen several good SMACNA contractors close their doors in recent years for lack of a viable buyer. Counsel noted that participation in the ESOP by bargaining unit employees presents a challenge. SMACNA does have information on the topic in several publications and counsel will review existing resources with the objective of determining whether an update to this information is needed.
J. Leadership
   1. Officer Nominating Committee Report and Election
      Mr. Lansdell, Chair of the Officer Nominating Committee, submitted the following slate of candidates for Board consideration:

         President:          Joseph R. Lansdell
         President-Elect:  Jack Knox
         Secretary-Treasurer:  Nathan Dills
         Vice President:    Angela Simon
         Immediate Past President:  Guy Gast (no Board action required)

      A motion was made, seconded and carried that nominations be closed and that the Officer Nominating Committee’s slate of candidates be elected by unanimous approval.

   2. 2018 Board Meeting Locations
      A motion was made, seconded and carried to approve the Board of Directors two meeting sites as follows:

         January 2018         Hilton Los Cabos Beach & Golf Resort
                             Los Cabos, Baja California Sur, Mexico

         July 2018           Meeting Site TBD
                             Jackson Hole, Wyoming

K. Strategic Plan Objectives – Updated Progress Report – Mr. Sandusky
   Mr. Sandusky referred to his July 7, 2016 memorandum to the SMACNA Board of Directors – Update on Progress Towards Completion of Strategic Objectives and discussed highlights of meeting the four stated objectives. The Board discussed and agreed that an update to the Strategic Plan be budgeted for 2017.

L. 2016 Mid-Year Budget Adjustments – Secretary-Treasurer Knox/CEO - Mr. Sandusky
   Secretary-Treasurer Knox and CEO, Mr. Sandusky reported on the proceedings of the Budget and Finance Committee conference call meeting of June 17, 2016.

   A motion was made, seconded and approved to approve an adjusted mid-year operating revenue budget of $11,723,190 and a mid-year operating expense budget of $10,677,764.

   A motion was made, seconded and approved to approve the 2016 Mid-Year Proposed New Projects with an expense total of $11,800.
The 2016 approved mid-year projects are:

- Business Management Marketing: $4,800
- Silica Exposure Prevention Model Program: $5,000
- Thermoset FRP DCS Webinar: $2,000

V. OPEN DISCUSSION
No topics were raised.

VI. Having no further business to discuss, a motion was made, seconded and approved to adjourn the meeting to an Executive Session with the CEO at 10:45 a.m.
THE SHEET METAL AND AIR CONDITIONING CONTRACTORS’ NATIONAL ASSOCIATION, INC. (SMACNA)

EXECUTIVE COMMITTEE

October 15, 2016

Phoenix, AZ

Meeting Report

I. CALL TO ORDER:

President Gast called the meeting to order at 8:30 a.m.

ATTENDANCE:

Members of the Executive Committee:
Guy M. Gast – President
Joseph R. Lansdell – President-Elect
Jack Knox – Secretary-Treasurer
Nathan Dills – Vice President
Thomas A. Szymczak – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer

Staff and Legal Counsel:
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources
Daniel R. Kelly – Felhaber Larson – SMACNA General Counsel
Michael G. McNally – Felhaber Larson – SMACNA Labor Counsel

A. Request for New Business Items

President Gast requested that committee members identify new business items not already covered in the agenda. No items were mentioned.

B. Convention Review

1. Schedule

Mr. Sandusky reviewed the convention schedule of Executive Committee meetings and social events.

2. Revenue/Registration

Mr. Sandusky reported paid convention registrations (870 through October 4, 2016), and a registration revenue of $984,364 versus a budget of $801,875.
3. **Housing**  
Mr. Sandusky reported that the member on-site housing shortage had been favorably resolved.

4. **Guests**  
The Committee reviewed the convention attendance listing of invited special guests.

II. **FINANCIAL UPDATE – MESSRS. KNOX AND SANDUSKY**

1. **SMACNA’s 3rd Quarter**  
Messrs. Knox and Sandusky reported that man-hours through September 30th were tracking at a 5% increase over the same period for 2015. It is estimated that the operating budget conclude the year with a $1.6 million surplus.

2. **Investments Fund Recommendation**  
Mr. Sandusky reported on the underperformance over the past two years of Harbor International Account in the SMACNA Reserve Fund, and recommended that it be replaced with the Vanguard Global Minimum Volatility Fund or the Vanguard International Growth Fund.

   A motion was made, seconded and approved to replace the Harbor International Account with the Vanguard Global Minimum Volatility Fund.

III. **LABOR RELATIONS UPDATE – MS. WYANDT**

   A. **General SMART Update**

   1. **Wage Equalization**  
Ms. Wyandt updated the committee on a recent SMACNA/SMART Subcommittee meeting on wage equalization methodology. That meeting did not result in a resolution of the issue between SMACNA and SMART. At the direction of the Labor Committee, SMACNA staff and legal counsel drafted an approach that was subsequently approved by the Labor Committee. That approach involved developing a memorandum of understanding (MOU) that would have to be executed at the local level providing the fabricating contractors would have an option of using SMART’s calculated crew cost methodology for wage equalization OR demonstrating that their actual fabrication costs met or exceeded the difference between the fabricating and jobsite calculated crew costs. The MOU would likewise provide for an exception from wage equalization for spiral pipe and corresponding fittings in accordance with the parameters tentatively agreed to by SMACNA and SMART during spiral discussions.
The Executive Committee discussed that approach in detail and agreed that President Gast, President-Elect Lansdell, Vince Sandusky and Deborah Wyandt should meet on-site at the Convention with SMART General President Sellers and General Secretary-Treasurer McClees to determine if SMART would consider that approach to resolve the wage equalization and spiral issues.

2. H2B Visas
Mr. Sandusky reported on discussions with SMART representatives to consider a program to recruit Canadian Sheet Metal Workers to work in areas in the United States experiencing skilled worker shortages. Mr. Sandusky had reached out to several local areas to determine the interest and need for such a program. The SMACNA/SMART LMCF will fund legal and start-up costs to launch the program.

3. SMART Hero’s Program
Ms. Wyandt reported on a potential pilot SMART Hero’s program in Washington State at Joint Base Lewis-McCord. Under the terms of the pilot program, military personnel who would shortly be returning from military service would receive concentrated 7 weeks (4 days per week) training at a JATC near the base. Upon successful completion of the program, individuals would qualify to start as 2nd year apprentices at JATC’s around the country who adopt the program’s accelerated entry provisions.

4. Capital Strategies
Mr. Sandusky provided the Executive Committee with an overview of a SMART initiative in which the union would seek to open new markets and improve market share by helping new and existing contractors with training and financing to participate in underserviced markets.

5. iTi Trust Document
Mr. Sandusky advised the Executive Committee that SMART would be approaching SMACNA to amend the iTi trust document. At a minimum, amendments will include needed housekeeping changes and changing the references from “SMWIA” to “SMART”.

B. September NJAB
Ms. Wyandt advised that the NJAB had settled two Article X, Section 8 contract renewal cases at the August 2016 NJAB. In one case the NJAB awarded the monetary settlement agreed to by the bargaining parties but rejected by the local union membership.
C. **Labor Relations Objectives**

Ms. Wyandt provided a draft outline setting forth SMACNA National Labor Relations Policies and Objectives that was approved by SMACNA’s Labor Committee. A final draft will be provided to SMACNA’s Board of Directors for discussion at the January Board of Directors’ Meeting.

IV. **TECHNICAL UPDATE – MR. HOWARD**

A. **Project Update and 2017 Outlook**

Mr. Howard commented on specific issues in the Technical Services and Research Department report contained in the committee workbooks in the areas of:

- Technical Standards Development
- Productivity Enhancement Tools
- Technical Educational Programs
- National Model Building Codes
- Industry Liaisons, and
- SMACNA’s Testing and Research Institute

He commented on specific standards and manuals currently being revised and planned revisions including the recently published SMACNA/ANSI Residential Comfort System Standard, 8th Edition.

V. **BUSINESS MANAGEMENT/MARKET SECTORS/MEMBERSHIP UPDATE – MR. SOLES**

A. **Ongoing Major Projects Update**

Mr. Soles reported on publication of the following documents, programs and white papers;

- *HVAC Bid Specifications Manual*
- *HVAC Systems – Understanding the Basics*
- *Residential Retrofit and Service Operations Manual*
- *The Business Case for BIM*
- *Making RFI’s More Effective*
- *Decommissioning Laboratories, Industrial Facilities and Old Buildings*
- *First Aid and Bloodborne Pathogens, and*
- *The SMACNA Change Order Spreadsheet and Mobile App*
He also commented on the projects under development by the Operations Manual Task Force, the Labor Units Manual Task Force, and noted that all of SMACNA’s 2016 multi-day educational programs were completely sold out.

B. **Associate Member and Premier Partner Programs**

Mr. Soles reported on the continued increase of participation in the Associate Member Program and Product Show and commented that this year’s Product Show will feature a silent and live PAC auction for exhibitor products. He reported that SMACNA welcomed its 5th Premier Partner, Milwaukee Tools in August.

VI. **OLD BUSINESS UPDATES – MR. SANDUSKY**

A. **Pension Reform**

Mr. Sandusky reported on continued favorable progress Pension Reform and the impact of the presidential election on that effort.

B. **State Level Issue Monitoring Options**

Mr. Sandusky reported that the monitoring of state legislative activities raised at the June Council of Chapter Representatives will be addressed as a 2017 budget item through a subscription service on state legislative issues.

C. **Detroit**

Mr. Sandusky updated the committee on communications with the Detroit chapter regarding SMART’s declaration that Local 80 was an “open area” and the subsequent resolution of that issue.

D. **Headquarters Cosmetic Projects**

Mr. Sandusky apprised the committee on the status of the headquarters renovation project noting that work had begun during convention week.

E. **2017 Strategic Planning Effort**

Mr. Sandusky reviewed the proposal and plans from the consultant for the strategic planning project scheduled for launch in January and completion before the July Board meeting.

VII. **OPEN DISCUSSION ITEMS**

None noted.

VIII. **ADJOURNMENT TO EXECUTIVE SESSION**

Having no further business to conduct the meeting adjourned to an executive session at 10:50 a.m.
THE SHEET METAL AND AIR CONDITIONING CONTRACTORS’ NATIONAL ASSOCIATION, INC.
(SMACNA)

EXECUTIVE COMMITTEE

January 7, 2017

St. Thomas, Virgin Islands

Meeting Report

I. CALL TO ORDER:

President Lansdell called the meeting to order at 8:00 a.m.

ATTENDANCE:

Members of the Executive Committee:
Joseph R. Lansdell – President
Jack Knox – President-Elect
Angela Simon – Vice President
Guy M. Gast – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer

Excused:
Nathan Dills – Secretary-Treasurer

Staff and Legal Counsel:
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources
Daniel R. Kelly, Felhaber Larson – SMACNA General Counsel
Michael G. McNally, Felhaber Larson – SMACNA Labor Counsel

A. Request for New Business Items

President Lansdell requested that Committee members identify new business items not already covered in the agenda. No items were brought to the President’s attention.

B. Review Meetings and Events Schedules

The Executive Committee schedule and the Board social events and schedule were reviewed.
II. REVIEW ACTION ITEMS FROM BOARD OF DIRECTORS MEETING
AGENDA

A. Financial Report – Mr. Sandusky

1. Year-End 2016
   Mr. Sandusky reported on 2016 financials (available through November 2016
   because of the early January meeting date) and anticipation of a ~$2 million surplus
   through calendar year-end. He informed the Committee of an expected $300,000-
   $400,000 balance in IFUS at 2016 year-end reconciliation.

2. Investment Report
   Mr. Sandusky noted the ~$8.1 million in the SMACNA investment account and
   referred Committee members to investment exhibits beginning on page 106 of the
   Board Meeting workbooks.

3. Contribution to Reserves – Estimated
   Mr. Sandusky discussed the Association’s ability to move additional funds into the
   reserve account and to pay off the outstanding building renovation loan of
   approximately $450,000 in March 2017.

   A motion was made, seconded and approved to recommend that the Board
   move $1.3 million from the operating account into the reserve account and to
   retain $450,000 in the operating account dedicated to a payoff of the building
   renovation loan in March 2017.

4. 2017 Budget Proposal
   Mr. Sandusky discussed the proposed 2017 Operating and New Projects Budget
   proposals, and senior staff commented on new proposed projects in their respective
   areas of responsibility. The budget contemplates a 2% increase in IFUS and dues
   contributions over 2016 receipts.

   A motion was made, seconded and approved to recommend that the Board
   adopt the 2017 budget as presented.

B. Policy Recommendations

1. Convention Fees
   Convention registration fees were last adjusted prior to the 2013 event in Maui. The
   Committee discussed at length a proposal from the Convention Committee
   recommending a registration fee increase for 2017. A chart was provided by the
   Convention Committee indicating the new hard dollar fee schedule.
A motion was made, seconded and approved to recommend that the Board adopt the Convention Committee’s recommendation.

2. **Convention Location 2022**
   The Executive Committee discussed a recommendation from the Convention Committee to conduct the 2022 SMACNA Annual Convention in Marco Island, FL, and that if no locations in Marco Island have availability/mutually agreeable rates, conduct the Convention that year in Nashville, TN.

   A motion was made, seconded and approved to recommend to the Board approval of the Convention Committee’s recommendation.

C. **Appointment of Legal Counsel – President Lansdell**
   Mr. Sandusky reported on general counsel and labor counsel 2016 activities on behalf of the Association. The Committee recommends that the Board appoint the firm, Felhaber, Larson, as legal counsel to SMACNA for calendar year 2017.

D. **Selection of Officer Nominating Committee – President Lansdell**
   President Lansdell discussed the election of the Officer Nominating Committee to occur at this Board of Directors meeting.

E. **Items Submitted for Board Discussion**

   1. **Should SMACNA develop an Estimating Manual?**
      The Executive Committee discussed an item submitted by Board Member Ken Groeschel regarding development of a SMACNA Estimating Manual. Mr. Soles reported this topic is an agenda item for the HVAC Contractors Council Steering Committee Meeting in February and apprised the Executive Committee of 2016 developments and discussions relating to SMACNA’s Reference Manual for Labor Units, the Octavianno National Mechanical Estimator document and MCAA’s LEM.

   2. **Should SMACNA investigate moving the IFUS and SMACNA Business Meetings off the convention schedule to make room for more valued content?**
      The Committee, staff and legal counsel discussed this consideration and possible constraints (legal and practical) to restructuring the Convention schedule and business meetings of IFUS and SMACNA.
3. **Is there a role for SMACNA in assisting with local apprentice recruitment?**
   The Executive Committee discussed an item submitted by Board Member Ken Groeschel regarding ways that SMACNA could support local apprentice recruitment efforts.

4. **SMACNA College Chapters**
   Committee members discussed local initiatives to engage SMACNA chapters with colleges, sometimes involving related trade and professional associations. The Committee agreed there is no single template for this activity but that there should be a legal framework for the use of the SMACNA logo and a name in these ventures.

**F. Discussion of SMACNA’s Labor Relations Policies and Objectives**
   The Committee discussed the presentation of this strategic discussion to the Board. President Lansdell will introduce the issue and the Labor Committee members present will review and answer questions regarding the one page draft summary of SMACNA’s Labor Relations Policy and Strategy document that the Committee believes sets forth the current SMACNA approach to Labor Relations at the National level. The goal of the discussion is for the Board and Labor Committee to reach consensus on any revisions to the one page statement of SMACNA’s Labor relations Policy and Strategy.

   Ms. Wyandt reviewed the draft of SMACNA National Labor Relations Services, Practices and Objectives. She advised this is intended as a background piece so that the Board is aware of the current labor relations programs and services provided at the National level. She suggested the document, when finalized, could serve as an educational piece for SMACNA Members and Chapters.

**III. INDUSTRY SERVICES UPDATES**

**A. Labor Relations – Ms. Wyandt**
   Ms. Wyandt will discuss the 2016 sheet metal contract settlements with the Board and will provide an overview of the 2017 industry bargaining and the resources that SMACNA has available to assist local Chapter bargainers.

   Mr. Sandusky discussed the status of the SMART-SMACNA Market Research and Development projects, including the February 2017 workshop on building a market recovery plan and workforce that will be held in Atlanta.

   Ms. Wyandt advised that Secretary-Treasurer Dills will provide the Board with a short update on the SMACNA/SMART Best Practices Market Expansion Task Force initiatives. Mr. Dills will address plans for the 2018 Partners in Progress Conference, the Task Force Strategic Plan and Website redesign.
Ms. Wyandt provided details of the SMART Hero Program that is designed to provide departing members of the Armed Forces with concentrated 7 weeks training and advanced placement as second year apprentices into local JATC programs that provide for direct entry. She relayed the first pilot program is slated for Joint Base Lewis McCord in Washington State. If successful, the SMART Hero program may serve as a model that could be implemented at other JATC’s near military bases.

Mr. Kelly apprised the Executive Committee of the work the Felhaber firm is doing to facilitate the SMACNA/SMART H2B Visa program that would support the hiring of Canadian crafts persons for trades’ work in the US.

Ms. Wyandt provided an overview of the August Labor Committee and the December Executive and Labor Committee meetings with SMART to discuss their proposal to modify wage equalization methodology. She explained that the SMACNA representatives at those meetings stressed that any methodology changes would have to be negotiated by the local SMACNA Chapter and SMART Local Union and calculations must be based on wages and ratios in building trades’ collective bargaining agreements rather than “sweet heart contracts” negotiated by individual contractors. She further advised that SMACNA was advocating that contractors should be able to rely on actual fabrication costs to determine if wage equalization has been met. SMACNA representatives were also pursuing other contractor objectives, including pooling of wage equalization money, and common sense exclusions to wage equalization. Further, SMACNA was attempting to reinstate discussions with SMART on parameters for the exclusion of wage equalization requirements for spiral pipe and fittings.

B. Technical Services – Mr. Howard
Mr. Howard discussed items contained in his departments consensus report and previewed his Board Meeting discussion in the areas of:

- 2017 Outlook for Tech Standards Development
- 2017 Development of Technical Apps
- 2017 Chapter Technical Education Programs and Industry Meetings
- National Model Building Codes/Uniform Mechanical and CA Mechanical Codes
- Industry Liaison Activities
- TRI Initiatives
C. **Market Sectors, Education, Membership and Safety – Mr. Soles**  
Mr. Soles referred Committee members to his consensus report beginning on page 61 of the Board Meeting workbooks and commented on:

- Products and Programs developed by the Market Sector Councils in 2016
- 2017 Business Management Multi-Day Educational Programs
- 2017 Business Management Chapter Education and STP Programs (8 New)
- Release of four new Contractor Ops Manual Programs in the 1st Quarter 2017
- 2017 new Contractor Ops Manual Programs
- Increased interest and use of SMACNA’s new Tech Manual Subscription Service
- 2017 Digital/Social Media and Public Relations Initiatives
- 2017 Safety Department Initiatives
- Associate Member, Premier Partner and Product Show Growth

D. **Government Relations – Mr. Sandusky**  
Mr. Sandusky referred Committee members to the Board consensus report beginning on page 80 of the Board Meeting workbooks and discussed some of the key governmental affairs issues being addressed by the Capital Hill Office. He commented on the continuing pension reform efforts, work by SMACNA on these initiatives and the impact on reform measures because of the new administration.

**IV. JOINT TRUST FUND UPDATES**

A. **LMCF – Ms. Wyandt**  
Ms. Wyandt advised that the annual grant for the SMACNA/SMART LMCF was $200,000 each from SMACNA and SMART. That amount would provide for funding of the Best Practices Programs and pre-payments required for the 2018 Partners in Progress Conference.

B. **National Pension Fund – Mr. Sandusky**  
Mr. Sandusky referred Committee members to a Board Meeting workbook exhibit containing a presentation by NPF Administrator, Lauri Wood, at the December Council of Chapter Representatives meeting.

C. **iTi/NEMI/SMOHIT – Mr. Howard**  
Mr. Howard commented on continuing positive working relations among the joint trust leadership and commented on several projects underway.
V. OTHER DISCUSSION ITEMS

A. 2017 Strategic Planning Project

Mr. Sandusky provided the Committee with an overview of the plan and schedule for SMACNA’s Strategic Planning Project to be launched later this month.

VI. ADJOURNMENT

Having no further business to conduct, the Committee adjourned to an Executive Session at 11:45 a.m.
**SMACNA Labor Relations Policy and Strategy**

SMACNA is a national association, a collection of 102 Chapters and nearly 2000 individual sheet metal and air conditioning contracting firms. Each of these entities may have differing labor relations philosophies, policies and priorities. SMACNA’s goal in labor relations is to provide these entities with resources and support to achieve outcomes that support growth for both individual contractors and the unionized sheet metal industry as a whole.

This approach requires a balance between, on the one hand, a cooperative and constructive relationship with SMART, and, on the other, firm support for strategies that enhance the ability of contractors to compete in the marketplace, and opposition to those that do not.

There are often times competing visions between SMACNA and SMART. Finding common ground, exploring compromises, and cooperative problem solving have historically been SMACNA’s priorities when these differing views arise. However, SMACNA must also confront initiatives and strategies which it views as detrimental to the ability to compete with non-union contractors and impeding expansion of the unionized sheet metal industry.

SMACNA’s labor relations policy is guided by the following:

- Advocating contractor, customer and industry needs to SMART on important issues including competitiveness, productivity, flexibility, industry stability, training and manpower needs;
- Giving strong consideration to the impact on SMACNA contractors’ customers when formulating SMACNA labor relations policies and strategies;
- Maintaining a continuous dialogue with SMART to foster open communication, mutual understanding, joint problem-solving and avoid surprises; and
- Actively engaging with Chapters and Members to provide the resources, information and education to manage labor relations on the local level with their local unions and their employees.

This strategy is flexible, and by its very nature must be, in order to adjust to changes in SMART’s leadership and its priorities and initiatives, technology, market conditions, legislative and regulatory areas, among others. But the overarching framework never changes: in approaching any labor relations issue, SMACNA aims to serve the best interest of the largest majority of its members that will be impacted by the issue.

SMACNA’s Labor Committee and Labor Relations Staff are tasked with carrying out this policy. SMACNA’s Board of Directors ensures that it is executed accordingly, and evaluates and applies this strategy to issues as they arise.