I. CALL TO ORDER:
President Knox called the meeting to order at 8:00 a.m.

A. Welcome – President Knox

President Knox welcomed the Board members to the meeting and introduced Vice President LaBella and new Board members Messer’s. Bellmon, Hall, Luthe, Martin and Morgan. He also introduced Council of Chapter Representatives Chair, Ms. Mueller-Neff and Mr. Henriksen, SMACNA’s Executive Director of Communications and Marketing.

B. Self-Introductions, Local Markets and Chapter Issues Discussion

Board members proceeded with self-introductions and spent considerable time discussing local market conditions, manpower and available talent and the impact on bidding new work, the difficulty in finding competent jobsite supervision, and non-union competition in specific market sectors.

C. Call for Additional Agenda Items

President Knox 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:
Jack Knox – President
Nathan Dills – President-Elect
Angela Simon – Secretary-Treasurer
Albert LaBella – Vice President
Joseph Lansdell – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
Members of the Board of Directors:
Hank Artlip               Ken Groeschel, Jr.               Gary G. Luthe, Sr.
Kyle Bellmon             James E. Hall                    Thomas E. Martin
Craig Benson             Todd W. Hill                    James M. Morgan
Danny Dillion            K. Joe Isom                     John D. Raught
Carol Duncan             Kevin Jones                     A. Scott Vidimos
Brian Fluetsch           Anthony E. Kocurek                Arthur Williams

Staff and Legal Counsel:
Jeff Henriksen – Executive Director of Communications & Marketing
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Jason Watson – Director of Labor Relations
Daniel R. Kelly, Felhaber Larson – SMACNA General Counsel
Michael G. McNally, Felhaber Larson – SMACNA Labor Counsel

Guests:
Julie-Ann Mueller-Neff, Council of Chapter Representatives Chair

II. 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 2017 Board of Directors Meeting Report
   2. October 2017 Executive Committee Meeting Report
   3. January 2018 Executive Committee Meeting Report

B. Executive Staff Reports
   1. Administrative – Staffing
   2. Labor Relations
   3. Technical Services
   4. Market Sector Councils, Education, Membership, Safety & Communications
   5. Government Relations
III. OPERATIONAL AGENDA
   A. Policy Review – Mr. Kelly
      1. Anti-Trust & Compliance Procedures
         Mr. Kelly discussed issues related to the Board of Directors governance of the Association and reviewed SMACNA’s Anti-Trust Compliance Policy and Procedures.

      2. Conflict of Interest Policy & Disclosure Statement
         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. Mr. Sandusky will email the Conflict of Interest Disclosure Statement to Board members for completion and return to him.

      3. Whistleblower Policy
         Mr. Kelly discussed the basis for the SMACNA Whistleblower Policy and reviewed the policy with Board members.

      4. Adoption of Revised Policies
         Mr. Kelly described updates to the Anti-Trust, Conflict of Interest and Whistleblower policies.

            A motion was made, seconded and approved to adopt the revised Anti-Trust, Conflict of Interest, and Whistleblowers policies.

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

   C. Financial – Secretary-Treasurer Simon and Mr. Sandusky
      1. Financial Statements
         Secretary-Treasurer Simon and Mr. Sandusky reported on 2017 financials through year end. Mr. Sandusky discussed the Draft 2017 year-end Comparative Balance Sheet and the Department Recap and Income and Expense Report through December 2017. He commented that 2017 manhours were up 2.5% over the prior year. Mr. Sandusky also reported that the outstanding $500,000 headquarters renovation loan was paid off in 2017.
Finally, he commented that the greater than budgeted level of expenses in the Contingency account were attributable to a $50,000 contribution to the SMART Disaster Relief Fund, an action approved by the Executive Committee, to assist industry members with recovery from damages due to 2017 hurricane, flood and fire events.

2. **Investment Report**
   Mr. Sandusky reported that overall investments were up 9% though 2017 with an increase of 17% in the equity portfolio, which represents 44% of SMACNA investments.

   Based upon the level of 2017 income over expenses and early 2018 cash needs, Mr. Sandusky recommended a transfer of $1.5 million from SMACNA’s Operating Account to the Reserve Account immediately, with an additional transfer at mid-year if determined appropriate.

   **A motion was made, seconded and approved to approve the transfer of $1.5 million to the Reserve Account.**

D. **Industry Updates**

1. **New Horizons Foundation – Secretary-Treasurer Simon and Mr. Soles**
   SMACNA Secretary-Treasurer and NHF Vice-Chair Simon and Mr. Soles reported on four planned NHF Projects for 2018:

   - *Foundation Body of Knowledge*
   - *Tools for the Hiring, Promotion, and Talent Development of Sheet Metal and Mechanical Contractor Personnel*
   - *Customer Satisfaction Measurements – Phase I: Tool Development and Testing*
   - *Productivity Tracking: Design/Fabrication/Installation*

2. **iTi/NEMI/SMOHIT Update – Messer’s, Jones, Kocurek, Raught and Howard**
   Mr. Jones commented on the upcoming SMOHIT Safety Champion Conference, and SMOHIT’S new attention to substance abuse, addiction and depression. (SMOHIT has recently joined a construction industry suicide prevention initiative that SMACNA participates in). Mr. Howard apprised the committee of the upcoming joint trusts meeting in February, scheduled to coincide with the SMOHIT Conference.
3. **National Pension Fund – Mr. Lansdell**
   Immediate Past President Lansdell updated the committee on NPF developments including:
   - *Plan in the yellow zone with projections to be in green by 2028*
   - *2017 – first year with positive cash flow since 1988*
   - *Positive impact of VBAR implementation*

   Additionally, Mr. Lansdell referred Board members to a NPF PowerPoint exhibit in the meeting workbooks.

E. **SMACNA Communications and Marketing – Mr. Henriksen**
   Mr. Henriksen discussed his professional background and some initial insights to improve SMACNA communications with members and the AEC community, and the marketing and promotion of SMACNA programs and services.

F. **Market Sector Councils, Education, Membership, Safety & Communications – Mr. Soles**
   1. **Business Management Projects Update**
      Mr. Soles reported on two new business management programs to be presented in 2018 pending Board approval of these new project proposals:

      a. *SMACNA Leadership Development Program* in collaboration with UNC’s Kenan-Flagler Business Management School is scheduled for May 21-24, 2018 in Chapel Hill, NC. Mr. Soles distributed an initial promotional brochure with topic outlines and discussed the targeted attendees with input from the Board.

      b. *Advanced Project Management Institute* is under development with FMI with a planned program launch in early October in Raleigh, NC. This 2.5-day program will engage attendees in addressing complicated HVAC project management issues through a case study approach.

   2. **Market Sector Councils Update**
      Mr. Soles discussed activities of SMACNA’S four Market Sector Councils including the Architectural Sheet Metal Council’s work with SMART’s Architectural Metals Committee, the AIA Students Association in developing a nationwide student intern program, and a new white paper on virtual design in the architectural metals sector.

      Mr. Soles commented on the HVAC Contractors Council’s proposal to develop a Guideline for Federal Contracting for SMACNA members and the work on addressing equitable change order legislation on federal work. He also reported on the Residential Contractors Council’s recommendations to develop two white papers; one addressing implication of equipment manufacturers extended
3. **SMACNA Student Chapter Initiative**

Mr. Soles updated the Board on the progress in developing guidelines for SMACNA chapters, universities and students on this initiative and the goal of establishing no less than 5 student chapters in 2018.

4. **Chapter Mentoring Program**

Mr. Soles reported that an agreement with retired Chapter Executive, Tom Keating, had been negotiated to provide advice and assistance to targeted SMACNA Chapter Executives and that initial chapter visits had been identified and scheduled.

5. **Committee Request for Associate Member Representation on SMACNA Board of Directors**

Mr. Soles presented a recommendation by the SMACNA Associate Member Committee that an Associate Member be appointed as a non-voting member to the SMACNA Board of Directors, as follows:

> **Premier Partner/Associate Member Representation on the SMACNA Board of Directors**

A motion was made, seconded and approved to recommend that the SMACNA Board of Directors establish a non-voting seat on the SMACNA Board for an Associate Member.

**Background:**

Messer’s Bognet and Walsh initiated a discussion about the value of having an associate member on SMACNA’s Board to contribute the perspective of industry suppliers, vendors and manufacturers. As background, Mr. Soles commented that the Board’s focus was on strategic planning, policy and governance and that one charge of the Associate Member Committee was to address issues and perspectives of industry partners who were part of the SMACNA Associate Member community. Issues identified by SMACNA Committees and Task Forces that impact SMACNA policy are routinely presented to the Board for action.”

The Board discussed the request in detail, including complications of having one Associate Member at Board meetings versus others, legal issues regarding discussions of privileged information and other related information addressed by General Counsel. The Board instructed Mr. Soles to report back to the Associate Member Committee the association concerns in addressing this request.
G. **Technical Services – Mr. Howard**

1. **2018 Project Outlook**
   
   Mr. Howard reported on technical department initiatives planned for 2018 in the following areas:

   - 2018 Technical Standards, Manuals, Guidelines Development Outlook
   - 2018 Productivity Enhancement Tools Outlook
   - 2018 Chapter & Industry Educational Programs Outlook
   - 2018 National Model Building Code Outlook
   - Industry Liaison Activities
   - 2018 Testing and Research Institute

2. **2017 Year-End Activities**
   
   Mr. Howard also reported on 2017 department accomplishments including:

   - Published the ANSI accredited Thermoset Fiberglass Reinforcement Plastic (FRP) Duct Standard 2nd edition;
   - Published the ANSI accredited Round Industrial Duct Construction Standard 3rd edition;
   - Completed the Public Review of the HVAC Duct Construction Standard 4th edition;
   - Released the SMACNA Gutter/Downspout Sizing App based on the SMACNA Architectural Sheet Metal Manual & compliance to the IPC/UPC;
   - Successfully received inclusion of the SMACNA/ANSI Phenolic Duct Construction standard within the 2018 Uniform Mechanical Code (Already included in the 2018 International Mechanical Code).

H. **Officer & Board Liaison Chapter Reports – President Knox**

   President Knox referred to the Board liaison exhibit in the Board workbooks and invited members to comment on their liaison experiences.

   - July 25-26, 2017 Joseph Lansdell-Michigan Chapter SMACNA Board of Directors Meeting
   - September 7-9, 2017 Vince Sandusky-Bay Area SMACNA Board of Directors Getaway Meeting
   - September 13, 2017 Guy Gast/Angie Simon/Vince Sandusky-SMCA of Philadelphia & Vicinity Chapter Membership Meeting
   - September 16, 2017 Joseph Lansdell/Vince Sandusky/Deb Wyandt-SMCA Central Indiana & Ft. Wayne Chapter Annual Labor Appreciation Dinner
   - November 11, 2017 Jack Knox/Vince Sandusky-Bay Area SMACNA Annual Officer Installation Dinner
   - December 9, 2017 Scott Vidimos-SMACNA Greater Chicago Holiday Party
   - December 15, 2017 Brian Fluetsch-SMACNA Columbia Chapter
I. Annual Convention

1. 2017 Results
   Mr. Sandusky referred Board members to an exhibit in the workbooks summarizing convention results – budget versus actual (estimated). Both income and registration count exceeded the budgeted figures.

2. Convention Committee Recommendations
   a. 2023 Location
   The Board discussed a recommendation made by the Convention Committee that Phoenix, AZ be the first option for the 2023 convention city. Should no facilities have availability/mutually agreeable dates and rates, then as a second option the Convention Committee recommends the greater Palm Springs, CA area.

   A motion was made, seconded and approved to adopt the Convention Committee’s recommendation.

   Mr. Sandusky also reported that the Committee charged staff with preparing a report regarding hospitality industry research and predictions on how conventions could/will evolve over the next 5 to 10 years using technology and event redesign to enhance the value and impact of the event for attendees.

J. Council of Chapter Representatives Report – Council Chair Julie Muller-Neff
   Council Chair Julie Muller-Neff reported on proceedings from the Council of Chapter Representatives December 4-5, 2017 meeting in Tucson, AZ. There were no recommendations made by the Council for Board consideration. She commented on her intent to position this event to a more interactive session between participants.

K. Labor Relations – Messer’s, Sandusky, Watson and McNally
   1. 2018 Bargaining Outlook
      Mr. Watson reported on the extensive bargainers’ resources available from SMACNA in 2018 and directed the Board members to the settlement data exhibit in the workbooks. SMACNA will conduct the training for the local industry bargainers at the 2018 Collective Bargaining Orientation on March 13, 2018 in Dallas, TX.

   2. Market R&D Projects Update
      Mr. Sandusky discussed the Market R&D Projects in select cities and President Knox commented on the experience in the Atlanta market.

   3. Best Practices/Partners in Progress Update
      Mr. Watson reported on the Partners in Progress Conference scheduled for February 13-14, 2018 and referred the Board members to the schedule of events contained in the meeting workbooks. It was noted that 409 contractors, chapters and locals have registered for the program to date. The conference hotel is sold out.
4. **SMART Hero Program**
   Mr. Sandusky commented on the status of the SMART Heroes Program. During discussion, the Board expressed a preference that program funding would remain through the iTi at least until details about program expansion are finalized.

5. **Discussion Item: Request for SASMI co-sponsorship**
   The Board discussed a request from SMART that SMACNA consider being a co-sponsor of SASMI. Mr. Sandusky referred Board members to workbook details relative to this request.

   A motion was made, seconded and approved to approve SMACNA as a co-sponsor of SASMI subject to acceptable revisions to the trust document.

6. **Wage Equalization Update**
   Mr. McNally provided an overview of the Crew Cost Wage Equalization Agreement with SMART. Board members noted that the SMACNA goals around preserving maximum flexibility for contractors had been attained.

7. **Discussion Item: National Maintenance Agreement – SMACNA Participation and Collection of Industry Funds**
   Board members reviewed and discussed workbook material on the National Service and Maintenance Agreement and considered two questions:

   a. Should SMACNA attempt to influence the terms and administration of the NMA and,

   b. Should SMACNA engage in an effort to have sheet metal industry funds paid for hours worked under the NMA.

   The Board took no action as a result of its discussion but noted that SMACNA could provide local chapters with a roadmap and assistance should the local area wish to pursue payments to local industry funds.

8. **Discussion Item: Current Manpower (craft and non-craft) Supply Challenges**
   The item was placed on the Board meeting agenda at the request of several Board members. The Board reviewed and discussed workbook material related to manpower supply, availability and impact on bidding additional work.

**L. Pursuit of Strategic Objectives – Initial Steps – Mr. Sandusky**
   Mr. Sandusky referred Board members to a January 3, 2018 workbook memo to them on Preliminary Outline – Strategic Objectives Pursuit. He discussed specific actions taken to address the four strategic objectives adopted by the Board at its July 2017 meeting.
M. Appointment of Legal Counsel – President Knox
President Knox and Mr. Sandusky reported on the General Counsel and Labor Counsel's 2017 activities on behalf of the Association. Mr. Kelly commented on his firms 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 2018.

N. Election of Officers – President Knox
1. Policy Clarification – Officer Nominating Committee
Mr. Sandusky informed the Board that the current policy on the composition of the SMACNA Officer Nominating Committee was not consistent with a more recent amendment to the SMACNA Constitution and Bylaws.

A motion was made, seconded and approved to adopt the following revised policy language to ensure consistent interpretation of the intent of the Board:

“Election of Officers:
The SMACNA Constitution empowers the Board to elect the SMACNA President, President-Elect, Secretary-Treasurer and Vice President and permits the Board to establish its own rules as to the method of conducting nominations and election of Officers. That policy and procedure is set forth as follows: At the first regular meeting of the Board of each calendar year (typically January) the Officer Nominating Committee will be formed. The Officer Nominating Committee shall be composed of (5) members; the President-Elect (chair), the Vice President and three (3) Board members appointed by the President. The President’s appointees must be ratified by a vote of the Board. The Officer Nominating Committee will present its recommended slate of candidates to the Board at its regular mid-year meeting (typically July) at which time elections will take place following Roberts rules of Order procedures. As stated in the Constitution, Officer terms shall begin on the day following the adjournment of the Annual Meeting.”

2. Appointment of Officer Nominating Committee
President Knox discussed the election of the Officer Nominating Committee and presented the slate of Ken Groeschel, Jr., Carol Duncan, Scott Vidimos and automatic appointees, Nathan Dills and Angela Simon.

A motion was made, seconded and approved to approve the appointments as presented.
O. **Action on Proposed 2018 Budget – Secretary-Treasurer Simon, Mr. Sandusky**  
Secretary-Treasurer Simon and Mr. Sandusky discussed the 2018 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 2018 Operating Revenue Budget of $12,722,176 and an Operating Expense Budget of $11,732,105.

A motion was made, seconded and approved to approve a 2017 New Project Expense Budget of $505,650 with a corresponding potential revenue of $199,300.

IV. **OPEN DISCUSSION**  
President Knox expressed his appreciation for Mr. Morgan’s heads-up on the FASB Revenue Recognition / ASC 606 rule effective January 1, 2019. Staff informed the Board that it will be providing the membership with educational resources on the rule well in advance of the effective date. There were no other items identified for open discussion.

V. **ADJOURNMENT**  
Having no further business to conduct a motion was made, seconded and approved to adjourn the meeting to Executives Session at 4:26 p.m.
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 also recognized and expressed his appreciation of Board members attending their final Board meeting; Messer’s Sickle, Yeager, Leidner and Iannucci. He also expressed his appreciation to departing Executive Committee Member, Immediate Past-President, Guy Gast.

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

A. Report and Recommendations of the Strategic Planning Task Force
President-Elect and Strategic Planning Task Force Chair Knox discussed the strategic planning process and introduced Harrison Coerver, the consultant to the SMACNA Strategic Planning Task Force. Mr. Coerver reviewed the elements of the strategic planning process which resulted in the following task force recommendations:

1. Develop effective and measurable communications infrastructure
2. Assist members in attracting and retaining critical human resources
3. Establish a coordinated and proactive approach to Labor
4. Improve relevance and effectiveness of SMACNA chapters

President-Elect Knox noted that several Board members submitted recommended agenda items that corresponded with the topics of the SPTF recommendations, and informed the Board that those items would be covered during discussion of the SPTF recommendations.

Mr. Coerver facilitated a Board discussion on the four recommendations with a goal of adopting a new set of strategic objectives for SMACNA, achieving a common understanding on the intent of the recommendations and how they translate into initial programming and action by SMACNA.
Board discussion and brainstorming included the following items:

1. **Develop effective and measurable communications infrastructure**
   - The need to push the right information to the right people and not rely on them coming to us
   - Focus on effective messaging (skillfully using all modern channels) that resonates with each of SMACNA’s constituencies to increase their engagement with SMACNA
   - Increase and improve the awareness of SMACNA members, and their staff, of SMACNA’s services and value to the industry
   - Have a “new contractor” orientation when a contractor joins SMACNA

2. **Assist members in attracting and retaining critical human resources**
   - Need to address bargaining unit staff and non-bargaining unit staff needs
   - Craft workforce development provides an opportunity for a constructive joint venture with SMART
   - Identify and model best practices for apprentice candidate recruitment
   - Consider the need for educating contractors on the topic of workforce recruitment, skills development and retention techniques
   - Local LMCC’s may have a role in promoting the industry and recruiting talent
   - Model best practices in establishing relationships with universities
   - Promote internships for students – shop and office exposures
   - SMACNA Student chapters – pursue initiative with ASHRAE or other industry partners where locally feasible. Partner with SMACNA chapters.
   - Mechanical engineer graduates interest in pursuing construction setting versus engineering setting

3. **Establish a coordinated and proactive approach to Labor**
   - Need to structure and institutionalize the coordination and information flow to all management volunteers interacting with SMART leaders (trustees, joint committees and task forces, officers)
   - Continue to improve rapport with SMART leadership
   - Develop and pursue a set of objectives/goals for the labor-management arena

4. **Improve relevance and effectiveness of SMACNA chapters**
   - Shift in skill sets and experiences of chapter staff is creating a greater need for SMACNA national services and engagement with chapters
   - How has the role of the chapter changed, or need to change, to better serve SMACNA members?
   - Creating an effective partnership between chapters and national to serve member interests
   - Revisiting and improving the Board Chapter Liaison program
• Improving educational opportunities for chapter executives
• Promotion and modelling of best practices in local association services
• Establish incentives to pursue excellence in service delivery
• Role of the chapter in making contractors more aware of what SMACNA has to offer them

Following discussion, a motion was made, seconded and carried to approve the recommendations of the Strategic Planning Task Force as presented.

Staff was tasked with developing initial implementation plans and corresponding budgets.

III. CONSENT AGENDA


B. Executive Staff Reports
   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

A motion was made, seconded and carried to accept the reports identified in sections III. A. and B.

IV. OPERATIONAL AGENDA

A. Financial – Secretary-Treasurer Dills/Mr. Sandusky
   1. Year-to-Date Financial Statements
      Secretary-Treasurer Dills introduced the financial section of the meeting and asked Mr. Sandusky to present the exhibits in the Board meeting workbooks. Mr. Sandusky commented on the SMACNA Balance Sheet as of June 30, 2017 and the Income and Expense Summary Report and Department Recap exhibits as of that same date, noting no irregularities.

   2. Investment Report
      Mr. Sandusky commented on the SMACNA Investment Portfolio Exhibits. Equity investment returns through mid-year were approximately 8% for the total equity investment portfolio of $4.2 M.

   3. Additional Contribution to Reserves
      Mr. Sandusky reported that at its July 15th meeting the Executive Committee approved an additional contribution to the reserves in the amount of $300,000.
4. Appointment of Auditors
Mr. Sandusky informed the Board that SMACNA’s contract with its auditors had expired, discussed the proposed renewal terms and advised the Board of the Executive Committee’s recommendation to renew. A motion was made, seconded and carried to approve renewing the contract with Clifton Larson Allen LLP for a term of three years for 2017 through 2019.

B. Industry Updates
1. New Horizons Foundation – Immediate Past President Gast
Mr. Gast reported on a New Horizons Foundation project, *The Effective Use of Board of Directors and Peer Groups*, to be presented as a convention session in Maui. He also discussed a project underway addressing project productivity measurement.

2. iTi/NEMI/SMOHIT Update – Mr. Howard and Mr. Jones
Messer’s Howard and Jones commented on proceedings from the recent joint trusts meetings and reported on the following issues:
- NEMI’s pursuit of state legislative initiatives to enforce fire life safety requirements
- SMOHIT plans to promote attendance at its 2018 Safety Conference and promotion of its STEPS Program
- iTi funding for the Heroes Program
- Introduction of a pilot two-week condensed iTi residential service program
- Completion of the Lean Construction curriculum review

3. National Pension Fund – President Lansdell
President Lansdell updated the Board on activities of the National Pension Fund. He reported on an investment oversight company which meets independently with the trustees after the investment manager’s reports. Because of the upward funding trends, it appears that there will be no contribution increase requests for 2018 and 2019. President Lansdell also reported on some administrative changes including the upcoming retirement of the NPF’s general counsel.

4. Association Leadership Meeting – President Lansdell
President Lansdell informed Board members of the April Association Leadership Meeting attendance and agenda noting that 29 contractor leaders representing 24 SMACNA Chapters were present. He commented on the Premier Partner panel presentation - a non-sales oriented discussion that engaged meeting attendees. Board members were encouraged to promote this annual meeting in discussions and meetings with chapters through the chapter liaison program.
C. Technical Services – Mr. Howard

1. Program and Project Update – Expansion of Several Consent Agenda Items
   Mr. Howard reported on a variety of project initiatives and the following:
   - Technical Standards Development – 2017 Outlook
   - Productivity Enhancement Tools – 2017 Outlook
     Including release of the Gutter/Downspout Sizing App, enhancements to the Duct Construction App, and other Apps under consideration
   - 2017 Chapter Technical Education Programs and Industry Meetings. An update on chapter technical education programs delivered and industry meetings at which SMACNA was represented
   - National and California Building Code Issues. Details on various code issues and SMACNA representation

D. Policy Recommendations – Mr. Sandusky

1. Legislative Policy Update
   Mr. Sandusky reported on a recommendation to amend SMACNA Legislative policy with respect to Independent Contractor – Payroll Fraud Policy as follows; “SMACNA supports fair bidding competition in construction based upon vigorous enforcement and audit action by the Internal Revenue Service to ensure proper classification of workers and to assure the full payment of employment taxes by legitimate independent contractors. In addition, the law should provide assurances that wage theft, withheld earned overtime pay and payments made “off the books” should be prohibited by greater legal enforcement efforts.” (change in italics).

   A motion was made, seconded and carried to adopt the amended policy as stated.

E. Membership/Market Sectors/Education/Safety – Mr. Soles

1. Hawaii Sheet Metal Contractors Association – potential SMACNA Chapter
   Mr. Soles reported on a series of discussions with the Executive Director of the Hawaii Sheet Metal Contractors Association regarding their potential affiliation as a new SMACNA chapter. The association has formed a contractor committee to evaluate affiliation with SMACNA. To familiarize the group with the benefits of SMACNA membership a series of events have been scheduled including: a video conference with their Executive Director, their committee and SMACNA senior staff; a technical presentation to their members by Eli Howard in late August; attendance at the SMACNA convention and meeting with SMACNA’s Executive
Committee in Maui. The local association’s members are expected to vote on SMACNA affiliation in the first quarter 2018.

2. **Operations Manual Task Force Update**
Mr. Soles updated the Board on the Multi-Year project to update and add new sections to the SMACNA Contractors Operations Manual.
- Guide to Information Technology (new) – Released 12/16/16
- Materials and Inventory Management (updated and new title) Released – 1/05/17
- Principles of Job Costing (updated) Released – 1/19/17

**Additional manuals to be published in 2017 include:**
- Personnel Policies and Procedures (updated)
- Guide to Shop Burden (updated)
- Lean Transformation (new)
- Ownership Transition and Management Succession (new)
- Alternative Delivery Methods (white paper)
- Guidelines for Shop Layout (updated)

3. **Advanced Project Managers Institute**
Mr. Soles reported that the Business and Financial Management Committee met with FMI via conference call to discuss development of an Advanced Project Managers Institute. The new two-and-a-half-day program will emphasize case studies. The first session is targeted for delivery in the second quarter 2018.

4. **Discussion – Should SMACNA Develop a Leadership Institute Program**
Mr. Soles presented a concept proposal from the University of North Carolina’s Kenan-Flagler Business School to develop a three-and-a-half-day SMACNA Leadership Development Program. Mr. Soles and Ms. Bienacker met with Business School staff at their facility in late June to discuss the association and program objectives. Staff has also investigated Leadership Programs developed by Northwestern, the University of Michigan and KU.

Board members endorsed the concept and encouraged a rapid development schedule. The Business and Financial Management Committee intends to meet at UNC in early October to refine program content and develop a new project budget proposal for 2018.

F. **Government Relations – Mr. Sandusky**
1. **Pension Reform Update**
Mr. Sandusky provided the Board with an extensive update on pension reform efforts to pass the last piece of Solutions Not Bailouts (SNB) – New Plan Design,
a hybrid design that is called a Composite Plan – before the end of the new 115th Congress.

2. **NCCMP Funding**
   Mr. Sandusky discussed his and the association’s work with the NCCMP addressing issues relative to Multi-Employer Pension Plans, and the Mid-Year Budget proposal to join NCCMP as a Sustaining Member with Steering Committee representation. He reported on contractor associations providing additional financial support to NCCMP pension reform efforts and the critical timing of such support. Board members agreed to address a proposed modification to the relevant 2017 Mid-Year Budget proposal as part of the midyear budget agenda discussion.

3. **Staff Transition**
   Mr. Sandusky reported on Dana Thompson’s retirement effective June 30, 2017, and the search for a Legislative Affairs Assistant Director. Ms. Thompson has agreed to continue her PAC and pension reform work for SMACNA on a part-time basis through 2018.

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.

H. **Chapter of Council Representatives Report – Council Chair Joseph Samia**
   Mr. Samia reported on proceedings from the June 5-6, 2017 SMACNA Council of Chapter Representatives Meeting. There were no motions, actions or recommendations from the Council requiring Board action.

I. **Labor Relations – Ms. Wyandt**
   1. **2017 Negotiations Overview**
      Ms. Wyandt provided an overview of 2017 Collective Bargaining negotiations. First year settlements are slightly higher than those negotiated last year. Sheet metal settlements are in line with those of the other construction trades. The vast majority of areas were successful in settling their contracts at home. She advised there had been two industry strikes thus far in 2017, one in Minnesota and the other in Rhode Island.

   2. **NJAB Update**
      Ms. Wyandt reported that two contract renewals and one grievance were on the docket for the June NJAB. All cases were successfully resolved. The meetings were constructive and the contractor representatives appearing felt well prepared and represented by SMACNA.
3. **Wage Equalization Update**
Ms. Wyandt reviewed the status of the crew cost wage equalization discussions with SMART. SMACNA has clear guidance from the Executive Committee and Labor Committee on the items that SMACNA is advocating for on behalf of contractors. While no resolution has been reached, the discussion has been constructive.

She reported on the filing of wage equalization grievances against SMACNA contractors in Locals 24 (Columbus, Dayton, Cincinnati, Ohio) and Local 7 (Michigan SMACNA). She advised that SMACNA worked closely with the three Ohio Chapters and their local counsel and with the Local 7 contractors to provide legal advice and to prepare and provide SMACNA statements of support (included in the Board materials) to the NLRB advocating the contractors position in the matters.

4. **SMART Heroes Pilot Program**
Mr. Sandusky updated the Board on the status of the SMART Heroes Pilot program in Western Washington. Mr. Fluetsch advised that the SMACNA Western Washington chapter was fully supportive of the pilot program being launched in their areas and asked the Board members to encourage local JATC’s to adopt direct entry provisions into their apprenticeship standards so that graduates of the program could be employed throughout the U.S.

5. **Best Practices/Partners in Progress Update – Mr. Dills**
Mr. Dills, SMACNA Co-Chair of the Best Practices Market Expansion Task Force, provided the Board with an overview of the March 2017 Task Force meeting and plans for the Partners in Progress Conference that will be held February 13-14, 2018. Mr. Dills encouraged Board members to have their Chapters participate in the 2018 PiP Conference.

6. **Other Labor Relations Programs and Services**
Ms. Wyandt reported on a new educational program to assist Chapters in conducting Local Joint Adjustment Board (LJAB) arbitration hearings that will be held December 5 at the conclusion of the December 2017 Council Meeting in Tucson, AZ.

7. **Labor Implications of Contractor Deployment of Cameras/GPS trackers**
In response to a discussion item submitted by Board Member Art Williams, Mr. Kelly and Ms. Wyandt reviewed the legal implications of contractors installing video cameras and GPS devices in company provided trucks. Ms. Simon provided the details of a related grievance and described how the Bay Area Chapter and the company are responding to the grievance.
J. **Leadership**

1. **2019 Board Meeting Locations – Secretary-Treasurer Dills**
   A motion was made, seconded, and carried to approve the Board of Directors’ two meeting sites as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>The Westin Grand Cayman Seven Mile Beach Resort &amp; Spa, Grand Cayman, BWI</td>
</tr>
<tr>
<td>July</td>
<td>Fairmont Sonoma Mission Inn &amp; Spa Sonoma, CA</td>
</tr>
</tbody>
</table>

2. **Fill IFUS Trust Vacancy – President Lansdell**
   President Lansdell reported on a SMACN-IFUS Trustee vacancy occasioned by Mr. Battaglino’s resignation and discussed a candidate nomination form received from Kathleen Bigelow of Comfort Control, Inc. A motion was made, seconded and carried to approve President Lansdell’s appointment of Kathleen Bigelow to fill Mr. Battaglino’s unexpired term as a SMACN-IFUS Trustee.

3. **Appointment of IFUS Nominating Committee – President Lansdell**
   President Lansdell reported that three vacancies will occur this year on the SMACN-IFUS Board of Trustees and therefore a Nominating Committee must be convened. Under the Restated Agreement and Declaration of Trust, the President of SMACNA shall appoint three individuals, subject to approval by the Board of Directors, to join with the IFUS-appointed members to form a nominating committee. Acting on President Lansdell’s recommendation, a motion was made, seconded and carried to ratify the appointments of Hank Artlip, Ken Groeschel, Jr. and Carol Duncan as IFUS Nominating Committee members.

4. **Election to Fill SMACNA Board Vacancy – President Lansdell**
   President Lansdell reported that Board member Frank Battaglino has resigned from the SMACNA Board of Directors due to personal reasons. He discussed an application received from James Morgan of Worcester-Air Co. with the SMACNA Boston Chapter. A motion was made, seconded and carried to elect Mr. Morgan to the Board of Directors to complete Mr. Battaglino’s unexpired term.

5. **Officer Nominating Committee Report and Election – President-Elect Knox**
   Mr. Knox, Chair of the Officer Nominating Committee, submitted the following slate of candidates for Board consideration:
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.

K. 2017 Mid-Year Budget Adjustments – Secretary-Treasurer Dills/Mr. Sandusky

Secretary-Treasurer Dills and Mr. Sandusky reported on the proceedings of the Budget and Finance Committee conference call meeting of June 21, 2017.

A motion was made, seconded and carried to approve an adjusted mid-year operating revenue budget of $12,594,188 and a mid-year operating expense budget of $11,564,878.

Mr. Sandusky revisited the topic of providing additional financial support to NCCMP pension reform efforts and the critical timing of such support. After discussion, a motion was made, seconded and carried to include an additional $75,000 in the Mid-Year Proposed New Projects to support pension reform lobbying efforts.

A motion was made, seconded and carried to approve the 2016 Mid-Year Proposed New Projects with an expense total of $164,700 and corresponding revenue total of $0.

The 2016 approved mid-year projects are:
- NCCMP Membership and Lobbying $102,500
- Seismic Restraint Manual $ 62,200

V. OPEN DISCUSSION

President Lansdell requested topics for the open discussion portion of the meeting and the following items were discussed:

- Ms. Simon suggested that two months before each Board meeting, Board members solicit input from their liaison chapters and local Boards for discussion items for the Board.
- Mr. Sandusky asked Board members if quarterly staff updates between Board meetings provided Board members with enough information regarding business of the association. The consensus was that the information provided was sufficient.
• Mr. Artlip asked if the IFUS data on manhours by state or by chapter can be shared with the SMACNA Board. Mr. Sandusky responded that he will look into the issue and provide the Board with historical data in some format.

VI. ADJOURNMENT TO EXECUTIVE SESSION WITH THE CEO

Having no further business to discuss, a motion was made, seconded and carried to adjourn the meeting to an Executive session with the CEO at 3:15p.m.

VII. EXECUTIVE SESSION BOARD ONLY

VIII. ADJOURNMENT
THE SHEET METAL AND AIR CONDITIONING CONTRACTORS’ NATIONAL ASSOCIATION, INC. (SMACNA)

EXECUTIVE COMMITTEE

October 21, 2017

Maui, Hawaii

Meeting Report

I. CALL TO ORDER:

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

A. Request for New Business Items

President Lansdell requested that committee members identify new business items not already covered in the agenda.

Secretary-Treasurer Dills and Mr. Sandusky provided the Committee with an overview of recent meetings with Rob Biedermann to discuss the details and goals of the SMART Capital Program. Mr. Sandusky reported that no formal requests have been made of SMACNA by SMART with respect to this program.

B. Convention Update

Mr. Franco reported on the convention registrations and hotel reservations indicating that all reservation requests had been accommodated.

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

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
II. REVIEW ACTION ITEMS FROM BOARD OF DIRECTORS MEETING AGENDA

A. Financial Update – Secretary-Treasurer Dills/ Mr. Sandusky

1. Year-to-Date Financial Statements
   Mr. Sandusky apprised the Committee that the approved $50,000 contribution to the SMART disaster relief fund was made to SMART on behalf of SMACNA.

   Secretary-Treasurer Dills and Mr. Sandusky reviewed the comparative balance sheet for the periods ending 9/30/16, 12/31/16, and 9/30/17. Mr. Sandusky reported that the manhours were flat YTD versus the same period for 2016. He also indicated that it appeared income over expense targets for the year would be met.

   The Executive Committee approved a request to eliminate the YTD Budget columns in the income and expense summary report for one year to determine the necessity of that reporting calculation.

2. Investment Fund Report
   Mr. Sandusky reviewed the Investment Account Summary Report indicating a market value of $10,260,000 as of September 30, 2017, with an increase in market value of $519,194 in 2017. Equity investments represented 42% of the stated market value earning 12% return for the year through September 30, 2017.

III. LABOR RELATIONS UPDATE – Ms. Wyandt

A. SMART Hero Graduation – President Lansdell, Vice President Simon and Mr. Sandusky

   Vice President Simon, President Lansdell and Mr. Sandusky attended the first SMART Heroes Graduation Program in Washington State and reported there was a lot of enthusiasm, support and coverage for the program. Fifteen service members are signed up for the second class. The Committee noted the importance of tracking the success of the graduates in securing and maintaining industry employment.

B. SMART Request that SMACNA become SASMI Fund Sponsor – Ms. Wyandt and Mr. Sandusky

   Mr. Sandusky and Ms. Wyandt reported on recent requests from the SMART General President, SASMI Trustees and the SASMI Administrator that SMACNA become a sponsor of the SASMI Trust. Ms. Wyandt reported that 40% of all industry
collective bargaining agreements provide for a SASMI contribution and that all reports indicate that SASMI is a well-funded and administered program.

Mr. Sandusky and Ms. Wyandt relayed the message to SMART and SASMI representatives that if the SMACNA Board determined that SMACNA should sponsor SASMI, it must be clear that there is no SMACNA commitment that SASMI would be included in the SFUA, nor considered a required contribution in all local CBAs.

The Executive Committee directed that the request that SMACNA sponsor SASMI be included as an item for discussion on the Agenda for the January 2018 Board of Directors’ meeting.

C. Best Practices Update – Ms. Wyandt and Secretary-Treasurer Dills

Ms. Wyandt provided an overview of the September 2017 meeting of the Best Practices Market Expansion Task Force. She advised that the Task Force devoted substantial time to considering how to better communicate local best practices for market expansion and best practices services and programs to SMACNA Chapters and SMACNA and SMART members.

The Task Force recommended that the Partners in Progress Magazine be discontinued and replaced by monthly best practices newsletters that keep local market expansion initiatives and programs and services before SMACNA and SMART members on a regular basis.

At the Spring 2018 program, the Task Force will focus on identifying recruiting best practices that could provide guidance to local areas. The Executive Committee suggested that the Task Force devote time to consider recruiting practices that promote industry diversity.

D. Labor Relations Educational Programs

1. PiP Conference Update – Ms. Wyandt and Secretary-Treasurer Dills
   Secretary-Treasurer Dills and Ms. Wyandt provided an update of the February 13-14, 2018 Partners in Progress Program and discussed the attendance and responsibilities of the Executive Committee at that program.

2. LJAB Training Program-December 5, 2017 - Tucson, Arizona
   SMACNA will conduct a Local Joint Adjustment (LJAB) Training Program on December 5, 2017 in Tucson, AZ immediately following the conclusion of the Council Meeting.
3. Collective Bargaining Orientation - March 13, 2018
   SMACNA will conduct the training for the local industry bargainers at the 2018 Collective Bargaining Orientation on March 13, 2018 in Dallas, TX.

E. 2017 Sheet Metal Bargaining Results

   Ms. Wyandt reviewed local bargaining results. First year settlements averaged 2.8% and were consistent with those negotiated by the other building trades.

F. September NJAB

   Ms. Wyandt reviewed the grievances and X-8 contract renewal cases resolved by the NJAB at its September meeting.

G. Update on Crew Cost Wage Equalization Discussion with SMART

   Ms. Wyandt provided an update of the discussion with SMART on crew cost wage equalization. She reviewed the Letter of Intent and Enforcement that will be signed by SMACNA and SMART and pointed out the issues on which SMACNA and SMART have agreed to, and discussed those issues that were not resolved in the discussions and would potentially arise and be addressed in other forums.

   The Committee inquired when the details of the understanding with SMART would be fully communicated to the membership. SMACNA intends to coordinate the announcement with SMART once the following have occurred:

   - Wage equalization forms have been revised and beta tested by several SMACNA members;
   - The Letter of Intent has been signed by both SMART and SMACNA;
   - Current crew cost calculations are received from SMART and accuracy confirmed by SMACNA Chapters. SMACNA’s Labor Relations Department will provide the calculations to each SMACNA Chapter, and will offer their assistance to SMACNA Chapter Executives to make sure they understand how to perform and confirm the crew cost calculations.

IV. TECHNICAL UPDATE – Mr. Howard

A. Project Update and 2018 Outlook

   Mr. Howard reported on the following technical projects completed year-to-date 2017:
   - Round Industrial Duct Construction Standard 3rd Edition
   - Thermoset FRP Duct Construction Standard 2nd Edition
   - Architectural Sheet Metal (Coping/Fascia) Wind Uplift Testing results
   - Architectural Gutter/Downspout Sizing App
He also commented on the following documents under or scheduled for public review:

- Fire, Smoke Damper manual 6th edition – 4th Quarter Public Review
- Kitchen Grease Duct Construction Tables – to be published 1st Quarter 2018
- Seismic Bracing Manual – 3rd Quarter 2018 Public Review

Mr. Howard reported that work on two additional Technical Apps were to begin: the Rectangular Industrial App and a Duct-o-lator. He updated the Committee on code work involving ICC, IAPMO, NFPA and projects under the Testing and Research Institute.

B. Joint Trust Funds November meeting

Mr. Howard informed the Executive Committee of the upcoming November Trustees meetings of the iTi, SMOHI and NEMI.

V. MARKET SECTORS/EDUCATION/MEMBERSHIP AND SAFETY UPDATE – Mr. Soles

A. Hawaii Sheet Metal Contractors Association Update

Mr. Soles reported on continued engagement with the Hawaii Sheet Metal Contractors Association, and its Executive Director Blake Parsons, on establishing a SMACNA Chapter in Hawaii. Since updating the Executive Committee and Board in July the following activities have occurred and been planned:

- CEO Sandusky and Senior Staff met via Skype with Mr. Parsons and select Hawaii association Board members to present SMACNA member services in the Technical, Business Management and Education, Labor, and Advocacy areas and responded to specific questions (August 16th)
- Mr. Howard presented technical sessions to Hawaii association contractors and employees on standards and manuals (August 22-24)
- Mr. Soles extended an invitation to select Hawaii association Board members to attend the SMACNA Maui Convention and Product Show (Convention 2017)
- Planned meeting on Monday, October 22nd with select Hawaii Board members and SMACNA Executive Committee and Messer’s Sandusky and Soles to further emphasize benefits of SMACNA affiliation and establishing a SMACNA Hawaii Chapter.
B. SMACNA Contractor Operations Manual

Mr. Soles updated the Executive Committee on the work of the Contractor Operations Manual Task Force, providing the status of the following documents completed or in progress.

Completed and Published 2017
• Guideline to Information Technology
• Materials and Inventory Management
• Principles of Job Costing

Final Review, Editing and Formatting (2017/1st Quarter 2018)
• Construction Contracts - Alternative Delivery Methods (White Paper)
• Personnel Policies and Procedures
• Management Succession
• Transforming Your Organization for the Future
• Shop Layout

Proposed for 2018 Budget
• Shop and Field Burden
• Preconstruction Planning
• Strategies and Tools for Effective Procurement
• Recruit to Retire
• Maximizing Bonding Capacity

C. Advanced Project Managers Institute

Mr. Soles reported on development of an Advanced Project Management Institute program to be launched September 2018. Approximately 300-member company personnel have attended the current Project Management Institute and the advanced program curriculum will emphasize a case study/problem solving approach, which attendees of the existing program have requested. It is anticipated that the program will be presented twice in 2019.

Mr. Soles also commented on SMACNA’s other national multi-day educational programs (Business Management University, Financial Boot Camp, Project Management Institute, and Supervisory Training Academy), all of which have been scheduled for 2018.

D. SMACNA Leadership Development Institute

Mr. Soles updated the Executive Committee on progress in developing a SMACNA Leadership Development Institute through the University of North Carolina’s Kenan-Flagler Business Management Graduate Program. SMACNA’s Business Management
Committee met with Kenan-Flagler staff and select professors in Chapel Hill in early October as part of the Business Management Committee meeting. The first program is planned for May 21-24, 2018, and staff and the Committee will work with UNC to connect them with select SMACNA members to assist in orienting toward industry specific content. This program will be presented as a 2018 new project budget item.

VI. OLD BUSINESS UPDATES – Mr. Sandusky

A. Strategic Planning Objectives Implementation

Mr. Sandusky reviewed and discussed an October 16, 2017 memo to the Executive Committee, “Preliminary Outline - Strategic Objectives Pursuit” and addressed specific questions on implementing actions relating to the Strategic Plan Objectives adopted by SMACNA in July.

B. Pension Reform

Mr. Sandusky reported that work on Pension Reform continues and informed the Committee of senior legislators and labor representatives meetings with bill sponsors. He advised the Committee that approved funding to the NCCMP had been released.

C. Staffing

Mr. Sandusky advised the Committee that a search firm had been retained to identify potential candidates for the new Executive Director, Communications position and that he has begun to interview candidates.

VII. OPEN DISCUSSION

President Lansdell called for open discussion items and none were presented.

VIII. ADJOURNMENT

Having no further business to conduct, the Committee adjourned to an Executive Session at 11:40 a.m.

*The Compensation Committee met immediately following Executive Committee adjournment.
THE SHEET METAL AND AIR CONDITIONING CONTRACTORS’ NATIONAL ASSOCIATION, INC. (SMACNA)

EXECUTIVE COMMITTEE

January 13, 2018

Los Cabos, Mexico

Meeting Report

I. CALL TO ORDER:

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

A. Request for New Business Items
   President Knox requested that committee members identify new business items not already covered in the agenda. No business items were identified. Mr. Sandusky introduced Jeff Henriksen, Executive Director of Communications & Marketing to the Committee.

B. Review Meetings and Event Schedules
   Mr. Sandusky and Mr. Franco informed the committee of the schedule of the Executive Committee, and the Board social events and meeting schedules.

ATTENDANCE:

Members of the Executive Committee:
Jack Knox – President
Nathan Dills – President-Elect
Angela Simon – Secretary-Treasurer
Albert LaBella – Vice President
Joseph Lansdell – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer

Staff and Legal and Labor Counsel:
Jeff Henriksen – Executive Director of Communications & Marketing
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Jason Watson, Director of Labor Relations
Daniel R. Kelly, Felhaber Larson – SMACNA General Counsel
Michael G. McNally, Felhaber Larson – SMACNA Labor Counsel
II. REVIEW ACTION ITEMS FROM BOARD OF DIRECTORS MEETING AGENDA

A. Financial Report – Secretary-Treasurer Simon/ Mr. Sandusky

1. Year End 2017
   Mr. Sandusky and Secretary-Treasurer Simon reported on 2017 financials through year end. Mr. Sandusky discussed the Draft 2017 year Comparative Balance Sheet, and the Department Recap and Income and Expense Report through December 2017. He commented that 2017 manhours were up 2.5% over the prior year.

   Mr. Sandusky also reported that the outstanding $500,000 headquarters renovation loan was paid off in 2017. Finally, he commented that the excess expenses in the Contingency Fund were attributable to a $50,000 contribution to the SMART Disaster Relief Fund in response to hurricane and storm damage in Texas and southeastern states.

2. Investments Report
   Mr. Sandusky reported that overall investments were up 9% though 2017 with an increase of 17% in the equity portfolio which represents 44% of SMACNA investments.

3. Contribution to Reserves – Estimated
   Mr. Sandusky reported on a planned transfer of $1.5 million from SMACNA’s Operating Account to the Reserve Account immediately, with an additional transfer at mid-year if determined appropriate. The Committee recommended that staff proceed with the $1.5 million transfer of funds.

4. 2018 Budget Proposal
   Mr. Sandusky discussed the proposed 2018 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 2017 receipts.

   The Committee discussed the budget and recommendation of the Budget and Finance Committee from its December 19, 2017 meeting and agreed to recommend that the Board adopt the budget as presented. Mr. Sandusky commented that there will be an additional recommendation to fund “Member Travel” in the amount of $7000 to cover the costs of member representation at local code hearings on behalf of SMACNA.
B. Policy Recommendations

1. Officer Election Process
   Mr. Sandusky and Mr. Kelly presented revised policy language relative to the Officer Nominating Committee and the Election of Officers to include language consistent with the existing Officer positions and to clearly state the process.

   A motion was made, seconded and approved to present the revised policy language to the Board for adoption.

2. Convention Location 2023
   The Executive Committee discussed a recommendation made by the Convention Committee that Phoenix, AZ be the first option for the 2023 convention city, absent venues with mutually agreeable dates and rates, then as a second option the Convention Committee recommends the greater Palm Springs, CA area.

   The Executive Committee agreed to recommend that the Board adopt this Convention Committee recommendation.

3. Associate Member Seat on SMACNA’s Board
   Mr. Soles presented a recommendation by the SMACNA Associate Member Committee that an Associate Member be appointed as a non-voting member to the SMACNA Board of Directors. The Committee and Counsel discussed several issues related to this recommendation.

C. Appointment of Legal Counsel – President Knox

   President Knox referred committee members to a Board workbook exhibit from Mr. Kelly on the scope of legal activities performed by his firm on behalf of the association in 2017. The Committee recommends that the Board appoint the firm, Felhaber, Larson, as legal counsel to SMACNA for calendar year 2018.

D. Selection of Officer Nominating Committee – President Knox

   President Knox discussed the election of the Officer Nominating Committee to occur at this Board of Directors meeting.

E. Items Submitted for Board Discussion

1. Request for SASMI co-sponsorship
   The Committee discussed at length a request from SMART that SMACNA consider being a co-sponsor of SASMI and Mr. Sandusky referred committee members to Board workbook items relative to this request.
A motion was made, seconded and approved to recommend to the Board that SMACNA co-sponsor SASMI.

   The Committee reviewed and discussed Board workbook material relative to this Board meeting discussion item.

3. Current Manpower Supply Challenges
   The item was placed on the Board meeting agenda at the request of several Board members and the Committee reviewed and discussed workbook material related to manpower supply, availability and impact on bidding additional work.

III. INDUSTRY SERVICES UPDATES

A. Technical Services – Mr. Howard

   In addition to referring to the Board workbook items contained in his consent agenda report, Mr. Howard discussed:
   - 2018 Technical Standards, Manuals, Guidelines Development Outlook
   - 2018 Productivity Enhancement Tools Outlook
   - 2018 Chapter & Industry Educational Programs Outlook
   - 2018 National Model Building Code Outlook
   - Industry Liaison Activities
   - 2018 Testing and Research Institute

B. Market Sectors, Education, Membership and Safety – Mr. Soles

   In addition to referring to the Board workbook items contained in his consent agenda report, Mr. Soles discussed:
   - 2018 Chapter Mentoring Program
   - 2018 Women in Construction Leadership Council Summit
   - 2018 Financial Survey
   - 2018 Executive Leadership Program with UNC
   - 2018 Advanced Project Managers Institute
   - 2018 Revised HVAC Systems - Understanding the Basics Manual
   - 2018 Extended Warranties White Paper
   - 2018 Residential Applications – Mini Split Systems White Paper
   - 2018 SMACNA Guide to Federal Contracting
C. Labor Relations – Messer’s Watson, Sandusky and McNally

2018 Bargaining Outlook
Mr. Watson provided an overview of 2018 bargaining season noting that one third of Local Chapters will be negotiating new agreements and that the majority of 2018 contract expirations occur in June and July.

2018 PINP Conference
Mr. Watson provided an update of the February 13-14, 2018 Partners in Progress Program and discussed the attendance and responsibilities of the Executive Committee at that program. It was noted that 409 contractors, chapters and locals have registered for the program. The conference hotel is sold out.

Collective Bargaining Orientation - March 13, 2018
SMACNA will conduct the training for the local industry bargainers at the 2018 Collective Bargaining Orientation on March 13, 2018 in Dallas, TX.

2018 NJAB Dates/Locations
**June 25-26, 2018** in Philadelphia, Pennsylvania – The cutoff date for submissions is Monday, June 4, 2018. Submissions mailed between May 31 and June 4 must be sent via overnight mail.

**September 10-11, 2018** in Minneapolis, Minnesota – The cutoff date for submissions is Monday, August 20, 2018. Submissions mailed between August 16 and August 20 must be sent via overnight mail.

Best Practices Update
Mr. Watson provided an overview of the September 2017 meeting of the Best Practices Market Expansion Task Force. He advised that the Task Force will devote a large portion of its next meeting to focusing on recruiting. The Task Force will explore possibility of developing some recruiting ads, materials and a program that would catch the attention of younger people making career choices. The program would be structured like the Task Force’s current customer awareness efforts that use advertisements to promote hiring a contractor with expertise.

SMART Heroes Update
Mr. Watson reported on the third class of the SMART Heroes started January 9th with an expected graduation of early March. The class contains seventeen service members (16 Army and 1 Marine). Monthly tracking is occurring of every graduate by class, discharge date, program locations and identify needed follow-up to assure connection with a local JATC apprenticeship. Mr. Sandusky discussed the programs potential financial needs moving forward.
Wage Equalization
Mr. McNally provided an overview of the crew cost wage equalization agreement with SMART.

D. Government Relations – Mr. Sandusky

Mr. Sandusky reported on recent positive actions relating to the Multi-Employer Pension Composite Plan initiatives and referred committee members to the Legislative Affairs update in the Board workbooks to give members sense of the scope of SMACNA’s Capitol Hill efforts.

IV. JOINT TRUST FUND UPDATES

A. LMCC – Mr. Watson

Mr. Watson reported on the agreement between the two parent entities on 2018 funding levels, and the status of the February 2018 Partners in Progress Conference.

B. National Pension Fund – Immediate Past President Lansdell

Immediate Past President Lansdell updated the Committee on NPF developments including:
- Plan in the yellow zone with projections to be in green by 2028
- 2017 – first year in positive cash flow since 1988
- Positive impact of VBAR implementation

C. iTi/NEMI/SMOHIT – Mr. Howard

Mr. Howard apprised the Committee of the upcoming joint trusts meeting in February.

V. OTHER DISCUSSION ITEMS

A. Addressing Concerns about Sexual Harassment

The Committee held a brief discussion on the impact of sexual harassment on employers and employees (bargained and non).

VI. ADJOURNMENT

Having no further business to conduct, the Committee adjourned to an Executive Session at 11:40 a.m.