I. CALL TO ORDER:

A. Welcome – President Szymczak

President Szymczak called the meeting to order at 7:58 a.m. He acknowledged and thanked departing Executive Committee member, Randy Novak, and Board members, James Cesak, Nathan Dills, Kathy Kerber and Al LaBella. He welcomed guests and reviewed the meetings and event schedules with Mr. Sandusky.

ATTENDANCE:

Members of the Board of Directors:
Thomas A. Szymczak – President
Guy M. Gast – President-Elect
Joseph R. Lansdell – Secretary-Treasurer
Jack Knox – Vice President
Randy A. Novak – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
Craig Benson
James A. Cesak
Thomas DeMusis
Nathan Dills
Carol Duncan
William T. Eustace

John Gundlach
Todd W. Hill
Angelo Iannucci
Kevin Jones
Kathleen Kerber
Anthony E. Kocurek
Albert LaBella
Alfred Leidner
Roy Ricci
John E. Sickle, Jr.
Raymond Yeager

Staff:
Eli P. Howard, III - Executive Director of Technical Services
Jerrold Marans, Controller
Thomas J. Soles, Jr. - Executive Director of Member Services and Market Sector Councils
Deborah Wyandt, Esq. - Executive Director of Labor Relations and Human Resources
Stephen J. Burton – Legal Counsel
Guests:
Ken Groeschel, Jr. – Chair, Council of Chapter Representatives
Kirk Thorne, Daikin Applied
Ben Schlinsog, Daikin Applied

President Szymczak appointed Steve Burton as Parliamentarian and Tom Soles as meeting scribe.

B. **Self-Introductions**
   As requested by President Szymczak all Board members made self-introductions.

C. **Call for Additional Agenda Items**
   President Szymczak made a request to the Board members for new business items. None were suggested from the attendees.

II. **STRATEGIC DISCUSSION**
   Mr. Thorne provided a presentation on Daikin’s view of the North American HVAC market over the next 10 years, discussing emerging regulatory issues, the focus on the “internet of things” and software as the contractor’s new service unit.

III. **CONSENT AGENDA**
   Mr. Sandusky discussed the meeting format consisting of consent and operational agendas. 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 meeting reports and staff reports as presented.

A. **Meeting Reports**
   1. Board of Directors Meeting, January 12-13, 2015 (attached as Exhibit A)
   2. Executive Committee Meeting, March 24, 2015 (attached as Exhibit B)
   3. Executive Committee Meeting, July 11, 2015 (attached as Exhibit C)

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 Lansdell/Mr. Marans
   1. Year-to-Date Financial Statements
      Messrs. Lansdell and Marans reported on year to date financials noting that reported
      man-hours were up 8% over the same six month period last year, and IFUS and
      dues revenue were up 15% through that same period. Both percentages are expected
      to come down through year end. Mr. Marans reviewed the Income and Expense
      Summary report through June 30, 2015 and the comparative Balance Sheet for that
      same period.

      2. Investment Report
         Mr. Marans discussed the investment account portfolio summary and equity
         summary investment reports.

B. Industry Updates

   1. New Horizons Foundation – President-Elect Gast
      Mr. Gast discussed current NHF projects under development and the two NHF
      sessions scheduled for presentation at the SMACNA Convention.

   2. ITI/NEMI/SMOHI Update – Immediate Past President Novak
      Mr. Novak reported on proceedings from the recent joint trust meetings including
      the resignation of the NEMI Administrator, completed sale of the Benchmark
      program, potential sale of the Florida property, and the launch of lagging and
      wrapping training program in the St. Louis training facility. He also noted the
      rescinding of accreditation of one of Local #100’s JATC’s.

   3. National Pension Fund – President Szymczak
      President Szymczak reported on administrative changes in the NPF staff, the
      positive impact on the plan’s implementation of VBAR, and other Plan issues.

   4. Association Leadership Meeting: Recommendations from Chapter Leaders
      Mr. Sandusky reported on the March 23rd facilitated Association Leadership
      Meeting and the six industry challenges identified by the attendees.

C. Labor Relations – Ms. Wyandt

   1. SMART Update
      Ms. Wyandt reported on changes in SMART Leadership and key SMART staff
      assignments.
2. SMACNA & SMART Discussions on Spiral/Wage Equalization
Ms. Wyandt updated on Spiral/Wage Equalization discussions with SMART that concluded in late April 2015. SMART and SMACNA did not reach an agreement on a resolution to define those spiral and oval products that require wage equalization. SMACNA had significant legal and practical concerns related to SMART’s proposal that wage equalization money be redirected to job site local trust funds. Ms. Wyandt reviewed the communication that SMART General President sent to his membership expressing disappointment on the inability of the two organizations to resolve the matter. She noted that correspondence did not refer to spiral, but rather to wage equalization. Since this effort did not result in any agreement it appears we are back to each party having differing opinions as to the meaning of the wage equalization provisions in the SFUA. Board members commented on this joint effort and outcome.

3. Local Collective Bargaining Results to Date
Ms. Wyandt provided an overview of local sheet metal negotiations and contract settlements negotiated in 2015. Ms. Wyandt advised that the majority of areas were settling their contracts locally. She discussed the growing instances of SMART local unions presenting Chapter bargainers with cumbersome information requests prior to or during bargaining.

4. Workforce Initiative Project Status
Mr. Sandusky provided the Board with a status report of the SMACNA/SMART Workforce Initiative Project and plans moving forward. The Board discussed at length the issue of work in areas where contractors are reluctant to travel.

5. Other Labor Relations Discussion Items:
   a. Local impact of SMART’s jurisdictional claim of project management and estimating
      Board members discussed regional differences in personnel, bargained or non-bargained, for these key positions and local agreement considerations on bringing bargained employees into management positions.

   b. How can the union sheet metal industry improve its image?
      Board members discussed the impact of continuing education such as enrollment in junior colleges, participation in the Helmets to Hardhats Program and the impact of local LMCC’s on improving the image of the organized sheet metal sector.

   c. How are contractors working successfully with their Local Unions to ensure proper staffing of overtime/weekend work?
Board members discussed variations in addressing these issues and an overall concern about the availability of skilled manpower.

D. Policy Recommendations – President Szymczak
1. Legislative Policy Updates
A motion was made, seconded and approved to adopt revised policy statements on SMACNA’s position on the following issues: Federal Contract Standards Policy, Campaign Finance Reform, and Contract Benefits Standard Policy. (Attached – Exhibit D).

E. Technical Services– Mr. Howard
1. Program and Project Update – Expansion of Several Consent Agenda Items
Mr. Howard briefly updated the Board on the following issues in his area of the consent agenda:
   - Phenolic Duct Construction Standard
   - Total Systems Leakage Manual
   - Kitchen Grease Duct Tables
   - HVAC Duct Construction Standard
   - Seismic Bracing Manual
   - International Mechanical Code
   - IAPMO Technical Committee
   - NFPA
   - Shop Standards (TRI)
   - Staff Search (Mr. Collie’s retirement)

2. Discussion Item: Competing Air Duct & Total System Leakage Standards: SMACNA Strategy
The Board discussed SMACNA strategies to protect the members’ interests given competing organizations’ standards and recommendations regarding duct leakage and total systems leakage.

3. Discussion Item: Competing building commissioning requirements: Protecting SMACNA member interests
Mr. Howard reported that the Model Building Codes are incorporating commissioning of all building systems into the base building codes as an additional requirement for a Certificate of Occupancy for the facility owner. SMACNA’s HVAC Commissioning Manual is one of many commissioning guidelines in the industry.
The Board discussed how SMACNA members’ interests are best served by the continued development and promotion of the SMACNA HVAC Commissioning Manual and related documents.

Board members discussed the continued value of ANSI accreditation on select SMACNA standards despite a decision by ANSI to provide ANSI Accreditation for competing SDO standards.

F. Government Relations – Mr. Sandusky
1. Pension Reform Update
Mr. Sandusky updated the Board on pension reform efforts and in particular issues relating to required PBGC premium increases. There was a general consensus from the Board that SMACNA could sign on to a reasonable increase in PBGC premiums in return for new plan design provisions that eliminate prospective withdrawal liability.

2. Participation in 2016 Republican National Convention Events
Mr. Sickle informed the Board of planned events sponsored by SMACNA – Cleveland and SMART Local #33 during the Republican National Convention in Cleveland in July 2016.

G. Board Liaison Reports – President Szymczak
President Szymczak asked Board members to comment on any past or planned chapter visits as part of the Board chapter liaison program. Officer and Board of Directors chapter visits to date were identified in the Board workbooks. A suggestion was made that Board members seek out their assigned chapters while at the convention.

Mr. Groeschel reported on proceedings from the June 8-9, 2015 Council of Chapter Representatives meeting in Toronto. There were no recommendations made to the SMACNA Board of Directors.
I. **Membership/Market Sectors/Education/Safety – Mr. Soles**

Mr. Soles provided the Board with a brief update on the following activities in his areas from the consent agenda:

- SMACNA Contractor Operations Manual Revision Project
- Reference Manual for Labor Units Project
- Change Order Excel Spreadsheet Project
- Business Management University
- Financial Management Boot Camp
- Project Management Institute
- Supervisors Training Academy
- Regional Multi-Chapter Education Program
- New Market Sector Council Project Proposals
- New Digital Media Director Hire
- Website and Other Social Media Developments

1. **Discussion Item: Business Management Education Programs**

Mr. Soles discussed the various SMACNA educational programs and delivery methods, and commented on a new regional multi-day program whose content would be theme focused in 2016. Board members commented that engaging additional SMACNA Chapters in the chapter education program was a worthwhile venture.

2. **Discussion Item: Associate Member & Premier Partner Programs**

Mr. Soles discussed the Associate Member Program, its continued growth and relation to the member centric SMACNA Product Show. He also discussed the Premier Partner Program and potential prospects. The consultant’s contract for the Premier Partner Program has been extended for one year at which time its continuance will be evaluated.

J. **Leadership**

1. **Officer Nominating Committee Report and Election**

Mr. Gast, Chair of the Officer Nominating Committee, submitted the following slate of candidates for Board consideration:

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<tr>
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(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. 2017 Board Meeting Locations
A motion was made, seconded, and carried to approve the Board of Directors 2017 meeting sites as follows:

- January 2017  St. Thomas, U.S. Virgin Islands
- July 2017  Whistler, British Columbia, Canada

3. Appointment of IFUS Nominating Committee
President Szymczak reported upcoming vacancies to the SMACN-IFUS Board of Trustees and the need to appoint members to the IFUS Nominating Committee.

A motion was made, seconded and approved to appoint Ms. Duncan and Messer’s. Hill and Yeager to the IFUS Nominating Committee.

K. Strategic Plan Objectives – Updated Progress Report – Mr. Sandusky
Mr. Sandusky discussed his July 1, 2015 memorandum to the Board, Progress Report on Achieving Strategic Objectives, and responded to questions.

L. Proposed 2015 Mid-Year Budget Adjustments – Secretary-Treasurer Lansdell
Secretary-Treasurer Lansdell and Mr. Marans reported on the proceedings of the Budget and Finance Committee conference call meeting of June 16, 2015.

A motion was made seconded and approved to approve an adjusted mid-year operating revenue budget of $10,861,312 and a mid-year operating expense budget of $10,351,330.

Mr. Soles described the seven new mid-year proposed projects as follows and responded to questions:

- Update and Revise HVAC Understanding the Basics Manual
- SMACNA’s Bid Specifications Manual (Update and revise)
- Residential Retrofit and Service Ops Management Program
- HVAC Contractors Council Website update
- The Business Benefits of BIM Paper
- Bid Specifications Manual for Architectural Metals
• **SMACNA High Performing Contractor Program**

A motion was made, seconded and approved to approve the 2015 Mid-Year Proposed New Projects with an expense total of $82,000 and corresponding revenue total of $7,500.

V. **OPEN DISCUSSION**

• **Prequalification Forms**
  Board members discussed the increasing use of 3rd party prequalification services such as ISNET by owners, CMs and GCs complicating the bid process primarily because of the lack of consistency in requested information. A recommendation was made that SMACNA investigate developing a guide for members to facilitate working with these entities.

• **JATC Money – Reciprocity**
  Board members discussed potential implications of a SMART communication to its Local Unions advising that JATC contributions would be reciprocal and remitted to the traveling employees’ home JATC.

• **Travel Pay**
  Members discussed various travel pay conditions and successes in changing or eliminating onerous contract language.

• **Guide for Contractors on Withdrawal Liability When Buying or Selling**
  The Board discussed the lack of a concise guide on the impact of pension withdrawal liability in the context of contractors purchasing or selling a business. Mr. Burton indicated that he could develop such a document.

• **PublicResources.org Litigation**
  Mr. Sandusky informed the Board of the two year anniversary of this referenced lawsuit settlement and potential implications for SMACNA. Staff continues to monitor the lawsuit filed by major SDOs against PublicResources.org.

VI. **ADJOURNMENT**

There being no further official business, staff and guests were excused. The Board then held a brief executive session with the CEO, followed by a Board-only executive session after which the meeting was adjourned.
Request for SMACNA Board Approval of updated Legislative/Regulatory Policies

At its recent meeting, the SMACNA Legislative Committee reviewed all the regulatory issues that SMACNA has long standing positions on and also noted the need for consolidation of similar policies in the SMACNA Policy Handbook. The Committee will continue this process of consolidating similar policy statements in updated general policy positions in the next few meetings, as well as updating any policy for simple editing.

This item is before the Board because SMACNA policy requires Board approval of any changes to official legislative or regulatory policy statements.

The new language proposed for adoption is on the following page. Immediately below is a brief explanation of the policy revisions.

**Federal Contract Standards Policy:**
The Committee consolidated the prompt payment/Miller Act, bid listing and change order regulatory positions into a Federal Contract Standards Policy. Under this new legislative policy SMACNA can continue to advocate on all three issues, but with a policy behind the legislative advocacy as well as the regulatory advocacy. SMACNA has had a vocal regulatory position on bid listing for decades, but the legislative policy has been inferred rather than specific.

On change orders, SMACNA has advocated changes for over a decade on the regulatory side. In the last year we have joined AGC and ASA to support the Anti Deficiency Act reforms. With this legislative policy we can continue on the Hill to advocate an improved change order policy for the federal project management offices.

In summary, this “new policy” is a consolidation to align our long-standing legislative and regulatory policies on bid listing and change orders.

**Campaign Financing Reform:**
This restated policy simply adds the elimination of the prior approval requirement to the campaign finance reform policy to match SMACNA’s regulatory position on the issue.

**Federal Contract Benefit Standards Policy:**
The Committee combined the separate legislative and regulatory policy statement into a single, consistent and coherent policy that supports our legislative and regulatory advocacy efforts on this issue.
D. Recommendations to the Board of Directors Requiring Action – July 2015

From the SMACNA Legislative Committee March 6, 2015 Committee Meeting

Item 1: Proposed SMACNA Legislative Policy Statements: The Committee reviewed existing federal payment, bidding, campaign finance reform and federal contract standards policy statements and approved amended reform policies. The Committee recommends the following amended language:

1. Issue: Federal Contract Standards Policy

SMACNA Position: SMACNA supports reforms to federal contract payment policy which would require prompt payment, bid listing on all public and/or private work and reform to the Anti-Deficiency Act to limit contract change orders designated by government officials within the general scope of the contract only if funds are certified available to pay the costs of such contract change prior to agreed contract changes.

2. Issue: Campaign Financing Reform Policy

SMACNA Position: SMACNA supports the maintenance of the voluntary political process in which individuals may contribute money to candidates, political parties and PACs. In addition, SMACNA supports limiting further restrictions on PACs and seeks repeal of the current rules requiring prior approval for trade association PACs exclusively.

3. Issue: Federal Contract Benefit Standards Policy

SMACNA Position: SMACNA believes that every federal contractor should provide health and retirement benefits to employees, but opposes federal efforts which seek to legislate employee benefits which are subject to the collective bargaining process, including efforts to mandate family, medical, sick and related issues.
THE SHEET METAL AND AIR CONDITIONING CONTRACTORS’ NATIONAL ASSOCIATION, INC.  
(SMACNA)  
BOARD OF DIRECTORS  
MEETING REPORT  
JANUARY 12-13, 2015  
GRAND CAYMAN ISLAND, BWI

I. CALL TO ORDER:

A. Welcome – President Szymczak

President Szymczak called the meeting to order at 7:56 a.m. He welcomed new Board members and guests and reviewed the meetings and events schedules.

ATTENDANCE:

Members of the Board of Directors:

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Guest:

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<td>Ken Groeschel, Jr.</td>
<td>Chair, Council of Chapter Representatives</td>
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President Szymczak appointed Steve Burton as Parliamentarian and Tom Soles as meeting scribe.

B. **Self-Introductions**
   All attendees made a self-introduction and commented on business and market conditions in their areas.

C. **Call for Additional Agenda Items**
   President Szymczak made a request to the Board members for new business items. None were suggested from the attendees.

II. **CONSENT AGENDA**

Mr. Sandusky discussed the new meeting format consisting of consent and operational agendas. 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 meeting reports and staff reports as presented.

A. **Meeting Reports**
   1. July 14, 2014 Board of Directors Meeting Report (Attached as Exhibit I)
   2. October 11, 2014 Executive Committee Meeting Report (Attached as Exhibit II)
   3. January 10, 2015 Executive Committee Meeting Report (Attached as Exhibit III)

B. **Executive Staff Reports**
   1. Labor Relations
   2. Technical Services
   3. Education, Membership, Market Sectors, Safety
   4. Government Relations

III. **OPERATIONAL AGENDA**

A. **Policy Review – Mr. Burton**

   1. **Anti-Trust**

   Mr. Burton 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**

Mr. Burton 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. Staff collected the completed and signed statements from Board members.

3. **Whistleblower**

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

**B. Responsibilities of Directors – Mr. Burton**

Mr. Burton discussed Board members’ fiduciary responsibilities (care, loyalty and obedience) from a legal and practical perspective.

**C. Financial – Secretary-Treasurer Lansdell/Mr. Sandusky**

1. **Year-to-Date Financial Statements**

   Mr. Sandusky reviewed the year to date SMACNA Comparative Balance Sheet through November 2014, and the Income and Expense Summary Report and Department Recap Summary Report through that same date.

   Mr. Sandusky reported that he anticipates close to a $1.2M 2014 year end operating surplus. Man-hours were budgeted to be flat for 2014 but actually resulted in a 2.5% increase over 2013 levels. He stated that SMACNA has a strategic objective of building up one year of operating expenses in its reserves.

2. **Investment Report**

   Mr. Sandusky referred to the investment exhibits in the Board meeting books and noted returns of about 7.5% for the year with equity investment returns in the 11% - 14% ranges. He also discussed managing the portfolio with the goal of paying off the outstanding loan of more than $600 thousand on the building upgrade, in 2017.

**D. Industry Updates**

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

   Mr. Gast reported on the status of the Market Risk Assessment Project and the NECA Foundation’s decision not to commit to the project. He commented on two
white papers under development; Functional Organizations and Improving Customer Relations – both expected to be completed before the SMACNA 2015 convention. Mr. Gast also reported that an update to the NHF study addressing union/non-union cost comparisons was under consideration. He commented on the status of the foundation’s financial health and acknowledged recent contribution commitments from a variety of sources.

2. **ITI/NEMI/SMOHIT Update – Immediate Past President Novak**

Mr. Novak reported that the iTi had resolved the DOL audit. He stated that the Florida building was still up for sale and that the iTi has a letter of intent to sell the Benchmark program in 2015.

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

President Szymczak reported that overall the National Pension Fund was improving based on Trustee decisions made over the past three years and good investment returns for 2014 despite a flat or slightly negative year in man-hours. Plan Participants will soon experience the effects of VBAR implementation, a significant element that moved the plan from “red” to “yellow.”

Mr. Sandusky provided the Board with an update on 2014 pension reform legislation results and his expectations for activity in 2015 to complete the reform effort seeking Congressional approval for new plan designs that eliminate prospective withdrawal liability.

E. **Labor Relations – Ms. Wyandt**

1. **SMART Update**

   a. **SMART International Staff**

   Ms. Wyandt reported on General President Nigro’s continued absence due to medical reasons and the impact on SMART senior staff.

   b. **2014 SMART Convention & General Elections**

   Ms. Wyandt updated the Board on the August 2014 SMART Convention where hundreds of constitutional amendments were addressed primarily relating to UTU issues.

   c. **SMART Strategic Plan**

   The SMART General Executive Board is still working on finalizing a new strategic plan which focuses on getting back the members lost during the recent recession.
d. Industrial Initiatives
Ms. Wyandt reported that SMART has unilaterally developed a Consolidated Industrial Agreement yet to be released to locals. It was discussed at the joint SMACNA Industrial Council/SMART Industrial Committee meeting in November where enhanced mobility conditions were noted by SMACNA contractors.

e. Local Developments in Abrogation of Jurisdictional Agreements between SMART and the Insulators
Ms. Wyandt reported that at SMART’s Constitutional Convention a resolution was adopted that mandated locals add duct lagging and insulation to their covered work. Board members discussed potential impact in their areas including enforcement issues and reaction of other trades, contractors and customers.

2. Developments in SMACNA & SMART Discussions on Wage Equalization on Spiral Pipe and Fittings
President Szymczak and Ms. Wyandt updated the Board on progress to date by the labor/management task force addressing this industry issue. Board members commented on the commodity aspects of spiral and the fact that direct sales to distributors made tracking of the resale to end users impossible.

3. Industry Fund Legal Development
Ms. Wyandt commented on industry fund issues including antitrust compliance and continuation of service agreements.

4. Prevalence and Effectiveness of Local Job Targeting/Equality Fund/Resolution 78 Programs
Board members discussed the applications and varieties of local job targeting and equality funds in their areas.

5. New SMACNA/SMART Spring Training Bargaining Program
Ms. Wyandt provided the Board with details of the new joint Spring Training Bargaining Program scheduled for late January 2015 in Orlando.

6. SMACNA Board Input /Suggestions for Update of the Best Practices Market Expansion Task Force Strategic Plan
Board Member Nathan Dills, who serves as Management Co-Chair of the Best Practices Task Force, provided the Board with a brief description of current Best
Practices’ programs available to members and chapters. He asked the Board what can the task force do to benefit SMACNA contractors, and are there more effective avenues for getting information on task force programs and services to SMACNA contractors.

F. Policy Recommendations – President Szymczak

1. SMACNA Convention

A motion was made, seconded and approved to accept the following recommendations from the SMACNA Convention Committee:

   a. The Convention Committee recommends no change to SMACNA’s Convention registration fees for 2015.

   b. The Convention Committee recommends Austin, Texas as the location for SMACNA’s 2019 Convention.

2. Additional Canadian Member Board Seat

A motion was made, seconded and approved to adopt the following resolution regarding creation of an additional seat for Canadian members on the SMACNA Board of Directors.

The SMACNA Constitution provides in Article IV, Section 1, that up to three Directors may be elected to represent the Canadian Membership. At present, there is one Canadian Director, representing the Western Region of Canada. The directors are desirous of increasing Canadian representation on the Board of Directors, and hereby approve one additional Director position to represent the Central Region of Canada. The Nominating Committee shall provide the name of the qualified candidate for such position, in accordance with the provisions of Article VI of the Constitution. Such position shall be filled at the next annual business meeting, in the manner set forth in this Constitution.

3. Board E-Voting Procedures

Mr. Sandusky reported that efforts to simplify the approval process for Associate Members and International Affiliate Contractor Members were complicated by New York state law and that no changes to the current approval process were recommended.
G. Technical Services—Mr. Howard

1. Proposed New Projects and Activities

Mr. Howard apprised the Board of new Technical Services & Research department projects planned for 2015.

2. New Industry Certification Programs and UL Activities Impacting SMACNA Members

Mr. Howard briefed the Board on the proliferation of industry certifications and in particular material/system certifications being championed by UL. The Board discussed the concept of these certifications as a marketing differentiator and whether non-union access to them diminished their impact for SMACNA contractors.

3. Is there a role for SMACNA in providing education and information on piping systems (VRF)? If so, what would be most useful?

The Board discussed the increasing market for piping systems (chilled beam and variable refrigerant flow) in particular geographic areas, and the general perception of their cost and energy efficiencies. It was noted that 35-40% of SMACNA members perform piping work. The consensus was that SMACNA should continue to build the capabilities of its technical staff so they can provide advice and consultation to SMACNA members on the use of these systems.

4. SMACNA as an ICC Preferred Provider

Mr. Howard discussed the ICC’s implementation of a new educational platform for building officials and the opportunity for SMACNA to provide specific educational offerings through this vehicle.

5. Would SMACNA members benefit by more quantitative duct cleanliness guidelines and protocols?

Staff and the Board members discussed the existing SMACNA Duct Cleanliness for New Construction guidelines and the lack of a clear and detailed protocol within the industry. Cleanliness requirements are often left to decisions made by the general contractor and not just the specifying engineer. The consensus of the Board was to review and revise the existing SMACNA document with quantitative considerations. The revision will include SMACNA’s document on “Early Start-up of Equipment.”
H. Government Relations – Mr. Sandusky

1. 2015 Congressional Priorities

Mr. Sandusky discussed SMACNA’s legislative priorities for 2015 including issues related to pension reform legislation.

2. Should SMACNA get further involved in state Right to Work legislative initiatives to help avert negative consequences of that legislation to the industry?

Mr. Sandusky reported that historically SMACNA has not been engaged in state Right to Work legislation. Board members discussed the impact, or lack thereof of Right to Work laws in their jurisdictions. No change in SMACNA approach was suggested.

3. Participation in 2016 Republican National Convention Events

Mr. Sandusky reported on an suggestion from our Ohio members that SMACNA be involved in the 2016 Republican National Convention in Cleveland and his discussions with SMACNA’s Capital Hill office on ideas and alternatives. John Sickle, Jr., a SMACNA Board member from Ohio, informed the Board of the status of discussions locally with potential industry partners for this effort. He will present recommendations to the Board at its July 2015 meeting.

I. Board Liaison Reports – President Szymczak

Does the Board Liaison Program still have value? Is there a way to make it more productive?

President Szymczak discussed the Board Liaison Program and asked Board members to report on their liaison experiences. Board members discussed the continued merits of the program and whether special emphasis should be given to chapters that have not participated. A suggestion was made that the program be a discussion item at the SMACNA Leadership Meeting in March.


1. Action on Council Recommendations

Mr. Groeschel reported on proceedings from the December 2014 Council of Chapter representatives meeting and his goal to make those Council meetings more participatory.
He discussed two Council recommendations to the Board; a). Establishing Women in Construction Leadership Steering Council and b). Fire Life Safety Program as part of SMACNA Hotel RFPs.

A motion was made, seconded and approved to create a Woman in HVAC Management Steering Council.

The Board discussed the Council of Chapter Representatives recommendation regarding a requirement of a Fire life Safety Program as part of SMACNA’s hotel request for proposal. After discussion a motion was made, seconded and approved to adopt the following alternative language to the Council recommendation:

“In securing facilities for SMACNA events, SMACNA shall inform potential facilities about the significance of a written fire life safety policy. SMACNA shall also inform such facilities that the existence of such a written policy shall be considered by SMACNA in securing space.”

Mr. Groeschel acknowledged that this language satisfied the intent of the Council’s recommendation.

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

1. International Affiliate Applications

Mr. Soles presented two applications for International Affiliate membership in SMACNA; KLIMA Factory and Naser Mohammad Al Baddah General Trading & Contracting Company W.L. A motion was made, seconded and approved to accept these two applicants as International Affiliate Members of SMACNA.

2. Associate Member Applications

Mr. Soles presented two applications for SMACNA Associate Members; Thermaduct, LLC and Alliant, Inc. A motion was made, seconded and approved to accept these two applicants as SMACNA Associate Members.

3. How can SMACNA develop/promote business opportunities in the Rail and Transportation industries for its members?

Mr. Soles reported on meetings with SMART and the American Public Transportation Association regarding SMACNA member opportunities in the rail and transportation sectors; both ancillary building construction work and custom fabricated components and parts.
Several Board members discussed their experiences in this sector noting difficulties in the procurement processes and lack of sufficient information.

4. **SMACNA Education Programs**

1. **Follow-up on July Board discussion of SMACNA education program direction and potential mid-year Education Conference**

Mr. Soles discussed the Products and Programs Coordinating Committee discussions on SMACNA educational programing vision and affirmation that the association was addressing the appropriate member audiences and scope of topics. He reported on a multi chapter program planned for mid-year to engage participation from chapters who generally do not subscribe to SMACNA’s Chapter Education Program. He also reported on a multi-day midyear Operations and Project Management Program under consideration for 2016. Board members discussed specific areas of education they would like addressed including business operations for project managers, the role of PM’s versus supervisors, basic communications skills, and change order issues.

L. **Appointment of Legal Counsel – President Szymczak**

A motion was made, seconded and approved to appoint the firm Felhaber, Larson, Fenlon Vogt as legal counsel to SMACNA for calendar year 2015.

M. **Appointment of Officer Nominating Committee – President Szymczak**

President Szymczak announced that in addition to the automatic appointments of Messer’s Lansdell and Gast he is appointing Messer’s Eustace, Ricci and DeMusis to the Officer Nominating Committee.

N. **Action on Proposed 2015 Budget – Secretary-Treasurer Lansdell**

Secretary-Treasurer Lansdell discussed the process for developing the budget, the charge of SMACNA’s Budget and Finance Committee and the Board’s discretion to make recommendations and modifications.

Mr. Sandusky reported that the 2015 revenue budget includes a 1% increase in man-hours over 2014 adjusted budget. He reviewed the 2014 income and expense budget summaries and discussed the proposed 2015 operating budgets by departments.
Executive Staff discussed 2015 new project proposals and responded to Board member questions.

A motion was made, seconded and approved to approve a 2015 Operating Revenue Budget of $10,886,312 and an Operating Expense Budget of $10,061,141.

A motion was made, seconded and approved to approve a 2015 New Project Revenue Budget of $3000 and a New Project Expense Budget of $243,700.

(Details attached as Exhibit D).

IV. OPEN DISCUSSION

A. What are our Industry’s Most Pressing Needs?

The Board conducted a lengthy discussion on this topic. The main challenges identified included the following:

- Attracting tradesmen that will differentiate the SMACNA contractor.
- Improve the skill set of the person we employ today.
- How to deal with the increasing amount and quality of the non-union competition.
- Attracting and retaining talent at supervisory and project management levels.

V. 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 9:45 a.m. on Tuesday, January 13, 2015.
I. CALL TO ORDER:

President Szymczak called the meeting to order at 2:51 p.m.

ATTENDANCE:

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

Excused: Randy Novak – Immediate Past President

Staff:
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

A. Request for New Business Items

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

B. Project Updates – New Information Since January

Ms. Wyandt and Messrs. Soles and Howard updated the committee on first quarter projects and programs in the Labor, Business Management, Market Sectors and Technical Departments.
C. Trust Funds Meetings Update

Messrs. Sandusky and Howard commented on proceedings from the March iTi, NEMIC and SMOHIT meetings.

D. Spiral Equalization Task Force Update

President Szymczak and Ms. Wyandt commented on the status of discussions between SMACNA and SMART regarding wage equalization requirements for spiral pipe and fittings including a February meeting between the SMACNA Labor Committee and SMART’s task force.

E. Pension Reform Update

Mr. Sandusky reported on issues relating to pension reform legislation and planned presentations at the April National Issues Conference and June Council of Chapter Representatives Meeting. President Szymczak reported on planned administrative changes at the NPF.

F. Discussion of SMART Leadership Change and any Insights as to Implications

The Committee discussed changes in SMART leadership effective May 1, 2015 and the potential impact on SMART senior staff, joint trusts and ongoing SMACNA/SFAR relationships.

G. Prep/Discussion of Objectives for SMACNA-SMANT Workforce Initiative Meeting

Committee members discussed FMI material, agenda and planned expectations for the SMACNA-SMANT Workforce Initiative Meeting.

H. Open Discussion Items

Committee members discussed the memorandum from SMART’s General President to local unions directing them to claim duct wrap and associated work and the potential impact on SMACNA contractors. The Committee also discussed the just completed Association Leadership meeting facilitated by Clarke Ellis, and expressed satisfaction with attendee interaction and participation.

II. ADJOURNMENT AND EXECUTIVE SESSION

Having no further business to conduct, a motion was made, seconded and approved to adjourn the meeting to executive session at approximately 3:50 p.m.
I. CALL TO ORDER:

President Szymczak called the meeting to order at 7:55 a.m.

ATTENDANCE:

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

Staff:
Eli P. Howard, III – Executive Director of Technical Services
Jerrold Marans, Controller
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources
Stephen J. Burton – Legal Counsel

A. Request for New Business Items

President Szymczak 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 Event Schedules

Messrs. Sandusky discussed the Executive Committee and Board of Directors meeting and events schedules.
C. Review Guest Attendance

1. Mr. Sandusky informed the Committee that Kirk Thorne, Executive Vice President of Daikin Applied, and Ben Schlinsog from Daikin Applied, the local SMACNA Chapter President, Michael Scolari, and Chapter Executive Director, Craig Madole, will be joining the Board for the reception and dinner Sunday evening. On Monday morning, Mr. Thorne will report on Daikin’s view of the North American HVAC market over the next 10 years.

II. REVIEW ACTION ITEMS FROM BOARD OF DIRECTORS MEETING AGENDA

A. Financial Report – Secretary-Treasurer Lansdell/Mr. Marans

1. Year to Date 2015
   Messrs. Lansdell and Marans reported on year to date financials noting that reported man-hours were up 8% over the same six month period last year, and IFUS and dues revenue were up 15% through that same period. Both percentages are expected to come down through year end.

2. Investments Report
   Mr. Marans discussed the investment account summary and equity summary investment reports.

3. Consideration of Additional Contribution to Reserves
   A motion was made, seconded and approved to transfer $250,000 from the operating budget to the reserve account.

4. 2015 Mid-Year Budget Proposals
   The Committee discussed the mid-year budget proposals and specifically the seven projects proposed by the market sector councils. Mr. Soles discussed the projects and responded to questions.

B. Policy Recommendations

Legislative Policy Updates
Mr. Sandusky previewed a recommendation from the SMACNA Legislative Committee to update SMACNA legislative policy on three federal regulatory issues.

C. Selection of IFUS Nominating Committee – President Szymczak

President Szymczak informed the Committee of his pending appointment of three SMACNA contractors to the IFUS Nominating Committee.
III. INDUSTRY SERVICES UPDATES

A. Labor Relations – Ms. Wyandt

Ms. Wyandt provided the Executive Committee with a Labor Relations Update covering the following topics:

1. Overview of changes in SMART Leadership and key SMART staff assignments.

2. Review of the June NJAB meeting in which three contract renewal disputes were heard and decided.

3. Update on Spiral/Wage Equalization discussions with SMART that concluded in late April 2015. SMART and SMACNA did not reach agreement on a resolution to define those spiral and oval products that require wage equalization. SMACNA had significant legal and practical concerns related to SMART’s proposal that wage equalization money be redirected to job site local trust funds. Ms. Wyandt reviewed the communication that SMART General President sent to his membership expressing disappointment on the inability of the two organizations to resolve the matter. She noted that correspondence did not refer to spiral, but rather to wage equalization.

4. Discussed a SMART communication to its Local Unions advising that JATC contributions would be reciprocal and remitted to the traveling employees’ home JATC.

5. Overview of the status of the jurisdictional dispute between SMART and the Insulators’ Union over metal lagging and duct wrap.

6. Provided an overview of local sheet metal negotiations and contract settlements negotiated in 2015. Ms. Wyandt advised that the majority of areas were settling their contracts locally. The Executive Committee discussed the growing instances of SMART local unions presenting Chapter bargainers with cumbersome information requests prior to or during bargaining.

7. Ms. Wyandt reviewed the labor relations topics that had been submitted by Board members for discussion during the Board meeting.

8. Mr. Sandusky provided the Executive Committee with a status report of the SMACNA/SKART Workforce Initiative Project.
B. Technical Services – Mr. Howard

Mr. Howard previewed his Board presentation, providing the Committee with an update on the following issues:

- Phenolic Duct Construction Standard
- Total Systems Leakage Manual
- Kitchen Grease Duct Tables
- HVAC Duct Construction Standard
- Seismic Bracing Manual
- International Mechanical Code
- IAPMO Technical Committee
- NFPA
- Shop Standards (TRI)
- Staff Search (Mr. Collie’s retirement)

He also briefed the Committee on Board discussion items relating to competing standard setting in the duct and total system air leakage arena, competing commissioning requirements, and the value of ANSI accreditation.

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

Mr. Soles reported on some of the current project and issues contained in his consent agenda report including:

- SMACNA Contractor Operations Manual Revision Project
- Reference Manual for Labor Units Project
- Change Order Excel Spreadsheet Project
- Business Management University
- Financial Management Boot Camp
- Project Management Institute
- Supervisors Training Academy
- Regional Multi-Chapter Education Program
- New Market Sector Council Project Proposals
- New Digital Media Director Hire
- Website and Other Social Media Developments

He also apprised the Committee on Board discussion items addressing Business Management Education Programs and a new Regional Multi-Day Education Program concept, and secondly, a discussion on the future of SMACNA’s Associate Member and Premier Partner Programs.
D. Government Relations – Mr. Sandusky

Mr. Sandusky updated the Committee on SMACNA government relations activities particularly as they relate to pension reform efforts.

IV. JOINT TRUST FUND UPDATES

A. LMCC – Ms. Wyandt

Ms. Wyandt advised that both SMACNA and SMART had paid their $50,000 grants to the SMACNA/SMART LMCC. She further advised that the April Best Practices Market Expansion Task Force Meeting had been cancelled, and that the October meeting of the Task Force would be held in the same hotel/location as scheduled for the April meeting to recapture 25% of attrition costs. The October meeting will be devoted to updating the Best Practices’ Strategic Plan.

B. National Pension Fund – President Szymczak

President Szymczak reported on administrative changes in the NPF staff, the positive impact on the plan’s implementation of VBAR, and other plan issues.

C. iTi/NEMI/SMOHIT – Immediate Past President Novak

Mr. Novak reported on proceedings from the recent joint trust meetings including the resignation of the NEMI Administrator, completed sale of the Benchmark program, potential sale of the Florida property, and the launch of lagging and wrapping training program in the St. Louis training facility.

V. OTHER DISCUSSION ITEMS

A. NHF Budget Adjustment

Mr. Gast discussed current NHF projects under development and the two NHF sessions scheduled for the convention.

Mr. Gast reviewed proposed changes to the NHF 2015 budget relating to projects under development. In their capacity of NHF Board members, a motion was made, seconded and approved to approve an increase in funding to the NHF budget by $13,500.
B. **Anticipated Request for Funding Restoration by College of Fellows, PAC, etc.**

Mr. Sandusky apprised the Committee of anticipated requests from the College of Fellows and PAC for funding increases beginning in 2016.

C. **Two Year Anniversary of Public Resources.ORG Litigation Settlement**

Mr. Sandusky informed the Committee of the two year anniversary of this referenced lawsuit settlement and potential implications for SMACNA.

VI. **ADJOURNMENT**

Having no other business of the Executive Committee to discuss, a motion was made, seconded and approved to adjourn to an Executive Session at 10:58 a.m.