I. CALL TO ORDER:

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

A. Welcome – President Gast

President Gast welcomed the Board members to the meeting and introduced new Board members Messrs. Artlip, Battaglino, Dillon, Isom and Williams. He also introduced General Counsel and Labor Counsel Messrs. Kelly and McNally, and Council of Chapter Representatives Chair, Mr. Bigham.

B. Self-Introductions

Board members proceeded with self-introductions.

C. Call for Additional Agenda Items

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

ATTENDANCE:

Members of the Executive Committee:
Guy M. Gast – President
Joseph R. Lansdell – President-Elect
Jack Knox – Secretary-Treasurer
Nathan Dills – Vice President
Thomas A. Szymczak – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
Members of the Board of Directors:
Hank Artlip  K. Joe Isom
Frank Battaglino  Kevin Jones
Craig Benson  Angelo Iannucci
Thomas DeMusis  Anthony E. Kocurek
Danny Dillon  Alfred Leidner
Carol Duncan  Roy Ricci
William T. Eustace  John E. Sickle, Jr.
John Gundlach  Arthur Williams
Todd W. Hill  Raymond Yeager

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

Guests:
James E. Bigham – Chair, Council of Chapter Representatives
Gretchen Gagel – President, Continuum Advisory Group, Denver, Colorado

II. STRATEGIC DISCUSSION

Addressing existing and future manpower and skills shortages - Strategies for Contractors and Roles of SMACNA and its Chapters – Facilitator: Gretchen Gagel, Continuum Consulting.

Mr. Sandusky introduced Ms. Gagel who facilitated a discussion on the increasing race for talent at all levels and in in all sectors of the construction industry. Board members discussed the challenges to attract, recruit, hire, develop and retain qualified personnel; a challenge complicated by the fact that many or most medium and small-sized contractors do not employ professional HR personnel.

III. CONSENT AGENDA

Mr. Sandusky reviewed the new meeting format introduced at the January 2015 Board of Directors meeting 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 2015 Board of Directors Meeting Report (Exhibit I)
   2. September 2015 Executive Committee Meeting Report (Exhibit II)
   3. January 2016 Executive Committee Meeting Report (Exhibit III)

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

IV. **OPERATIONAL AGENDA**

A. **Policy Review – Mr. Kelly**
   1. **Anti-Trust**
      Mr. Kelly discussed issues related to the Board of Directors governance of the Association and reviewed SMACNA’s Antitrust Compliance Policy and Procedures.

   2. **Conflict of Interest**
      Mr. Kelly reviewed the Conflict of Interest Policy adopted by the Board of Directors’ at its January 2006 meeting, and explained the Conflict of Interest Disclosure Statement. Staff collected the completed and signed statements from Board members.

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

B. **Responsibilities of Directors – Mr. Kelly**
   Mr. Kelly discussed Board members’ fiduciary responsibilities (care, loyalty and obedience) from a legal and practical perspective.

C. **Financial – Secretary-Treasurer Knox**
   1. **Year-End Financial Statements**
      Secretary-Treasurer Knox reported on a $1.847M 2015 year-end operating surplus. Man-hours were 8% over 2015 budgeted figures while collections exceeded 2015 budgeted projections by 11%. Mr. Knox noted that November’s Financial Statement was contained in the Board Workbook and referred to December’s Financial Statement exhibit distributed at the Board meeting.
A motion was made seconded and approved to transfer $1.2 million to the reserve account.

The Board agreed to reassess financials at mid-year for consideration of additional transfers to the reserve fund.

2. **Investment Report**
   Secretary-Treasurer Knox referred to the investment exhibits in the Board meeting books and in particular, the Equity Investments Summary Report. He noted that $1 million was added to the investment accounts in 2015.

D. **Industry Updates**

1. **New Horizons Foundation – President Gast**
   President Gast informed the Board that the NHF was in sound financial shape and had recently received two significant contribution commitments from the Sheet Metal Contractors Association of Philadelphia & Vicinity and SMACNA Greater Chicago, IL Chapters. He advised the Board of three projects underway; 1) new market risk assessment project, 2) an update to the Futures Study, and 3) an expansion of the white paper on pre-fab/modularization.

2. **ITI/NEMI/SMOHIT Update – Messrs. Howard, Kocurek and Jones**
   Messrs. Howard, Kocurek and Jones updated the Board on activities of the iTi, NEMI and SMOHIT. Mr. Jones reported on the positive rapport between the SMOHIT Administrator and SMACNA’s Safety Director, Mike McCullion. He also reported on the expansion of asbestos screenings to other vital screenings resulting in early detection and treatment, the identification of organizations to assist signatory workers with mesothelioma to cope with the disease, and a move to make SMOHIT content available directly to contractors.

   Mr. Kocurek informed the Board of the new NEMI Administrator and developments pertaining to fire life safety and certification.

3. **National Pension Fund – Immediate Past President Szymczak**
   Immediate Past President Szymczak updated the Board on NPF activities including the hiring of a new administrator and the search for a new CFO. He stated that results of the VBAR program implementation will be released in the coming months and that the next Trustees meeting is scheduled for March. A major emphasis for trustees in 2016 will be to plan for the expiration in 2017 of the existing rehabilitation plan and the requirement for 7% annual contribution increases under the first alternative schedule.

E. **Labor Relations – Ms. Wyandt**

1. **SMART Update**
   Ms. Wyandt updated the Board on SMART activities including:
2. **SMART’s Union Label App/Program**
Ms. Wyandt and Mr. McNally introduced Board members to the following topics which resulted in a lengthy discussion on all issues:

a. Discussion of local experience regarding use of the union label app as a wage equalization enforcement tool;

b. Overview of SMART’s proposed crew cost formula for determining wage equalization; and

c. Board member commentary and input on SMART’s proposed crew cost methodology for wage equalization for fabrication and its potential impact on markets and customers.

Mr. Sandusky requested that Board members send him any additional thoughts and comments furthering the wage equalization discussions. In particular, he requested talking points on the benefits of equalizing off of the journeyman rate rather than the crew ratio methodology proposed by SMART. He also requested Board member thoughts on whether SMACNA should develop a proposal identifying data a contractor could make available to “prove” wage equalization occurred and whether SMACNA should develop a counterproposal on penalties for violations? The Board agreed to get these comments back to SMACNA by COB Wednesday, January 27th.

3. **2015 Sheet Metal Bargaining Trends**
Ms. Wyandt reported on the 2015 bargaining trends and referred Board members to their Sheet Metal Settlements Exhibit contained in the Board workbooks.

4. **Best Practices Market Expansion Task Force Strategic Plan Update – Vice President Dills**
Vice President Dills discussed the task force’s strategic plan update emanating from the joint meeting in Orlando last October. He reported that the plan will be the blueprint for developing future industry programs to assist local labor and management representatives in improving union market share and industry conditions, and referred Board members to plan details contained in the Board workbooks. He commented that a grant request to the National LMCF from the Columbia SMACNA Chapter and Local 16 to conduct a Local Partnership Strategic Planning Conference in Portland had been approved by the parent organizations.
5. **SMACNA SMART Joint Workforce/ Market Study Project – Mr. Sandusky**

   Mr. Sandusky referred to a status report on the SMACNA SMART Market Research and Development Project contained in the Board workbook summarizing the project objectives and points of agreement, namely;

   1. **Study and better understand the factors that have led to a disadvantaged position of the Union Sheet Metal Industry in certain markets.**
   2. **Develop tools and strategies for implementation whose purpose is to improve the Union Sheet Metal Industry’s competitive position/market share in those markets,** and,
   3. **Track and study effectiveness of those tools and strategies. Make adjustments as needed.**

   He discussed the “guiding principles agreed to by SMACNA and SMART” in late December and planned launch of the project in three prototypical markets: Houston, Atlanta and Washington DC, in early 2016. The facilitator, Michael Gaffney, former Cornell University professor, will engage local parties without the direct involvement of the national organizations.

6. **Discussion Item: Prevalence and local experience negotiating classified worker/helper classifications – Submitted by Board Member, Tom DeMusis**

   Mr. DeMusis presented this discussion item and Board members commented on experiences in their areas. Ms. Wyandt noted that the SMACNA Labor Relations department has collected data on worker classifications in local CBAs. That information is available on labor relations section of the SMACNA website.

F. **Technical Services– Mr. Howard**

   1. **Presentation and Discussion: Chapter Technical Educational Programs – 2016 Enhancements**

      Mr. Howard reported on 10 Technical Department “lunch and learn” programs available to SMACNA Chapters for not just members but others in the AEC communities. Often these programs meet the continuing education credit requirements for licensed professionals.

   2. **Presentation and Discussion: Chapter Code Committees – Opportunities for SMACNA members**

      Mr. Howard initiated a discussion about a new effort to engage SMACNA Chapters in the adoption of national codes at the local level which in some instances results in modifications to the national code that benefits SMACNA members.
3. **Discussion Item: Delegated Design – Challenges for Contractors and Impact on SMACNA Standards – submitted by Board Member, Frank Battaglino**

Mr. Battaglino introduced concerns and challenges for SMACNA contractors and SMACNA Standards related to delegated design submittals. Board members discussed their experiences with delegated design in their market areas.

G. **Government Relations – Mr. Sandusky**

1. **2016 Congressional Priorities**

   Mr. Sandusky reported on progress on the pension reform bill and the development of a hybrid plan. He also discussed SMACNA successes in 2015 on tax credits and extenders benefiting SMACNA members. Those efforts will continue in 2016.

2. **Affordable Care Act Compliance Update – Mr. McNally**

   Mr. McNally made a presentation on the Affordable Care Act and the status of contractor responsibilities in 2016.

H. **Board Liaison Reports – President Gast**

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

- **July 16-18, 2015**
  William Eustace – Montana SMACNA Summer Meeting - Helena, MT

- **August 5, 2015**
  Thomas Szymczak – Michigan Chapter – SMACNA Annual Event - Mt. Pleasant, MI

- **August 10-11, 2015**
  Vince Sandusky/John Franco – SMACNA Greater Chicago Annual Event – Midlothian, IL

- **August 13-15, 2015**
  Thomas Szymczak/Vince Sandusky/Thomas J. Soles, Jr. – S/M Contractors of Iowa Chapter Meeting - Coralville, IA

- **August 20-23, 2015**
  Thomas Szymczak/Vince Sandusky – Bay Area SMACNA Board of Directors Meeting – Anaheim, CA

- **September 12, 2015**
  Thomas Szymczak/Vince Sandusky – SMCA of Central Indiana and Fort Wayne Annual Labor Appreciation Dinner – Indianapolis, IN

- **November 3-4, 2015**
  Carol Duncan – CAL SMACNA Board of Directors Meeting - Dana Point, CA
November 14, 2015  Guy Gast/Vince Sandusky – Bay Area SMACNA Annual Officer Installation Dinner - San Francisco, CA

December 4, 2015  Vince Sandusky – SMACNA Western Washington Board of Directors & Chapter Event – Seattle, WA

I. Chapter of Council Representatives Report – Council Chair James Bigham
Mr. Bigham, Council Chair, reported on proceedings from the Council of Chapter Representatives December 7-8, 2015 meeting in Monterey, CA. Joe Samia was elected Vice Chair of the Council and in addition to Officer and Staff reports, he commented on the following presentations to the Council:

- **Energy Benchmarking: How Could it Impact the Sheet Metal Industry**
  Tony Salvador, ACCO Engineered Systems
  Steve Tuttle, ACCO Engineered Systems

- **SMART's “Label It, Scan It, Report It” Initiative – Implications for Contractors**
  Deborah Wyandt, SMACNA Executive Director of Labor Relations
  Michael McNally, Felhaber Larson

- **National Pension Fund Update**
  Lori Wood, Executive Director, National Pension Fund

- **Overview of the Plan for Jurisdictional Disputes**
  Lucas Aubrey, Dunn, Cohen, Leifer & Yellig, P.C.

- **SMACNA’s Change Order Spreadsheet**
  Rick Freeman, Stromberg Metal Works, Inc.
  Mike Pence, Control Air North, Inc.

- **Positioning for the Future of HVACR**
  Ben Schlinsog, Daikin Applied

- **Contractor Compliance with the Affordable Care Act in 2016**
  Michael McNally, Felhaber Larson

- **SMACNA Safety and Health Update**
  Mike McCullion, SMACNA Director of Safety and Health
J. Membership/Market Sectors/Education/Safety – Mr. Soles

1. Presentation and Discussion: Cloud-based Subscription Service for SMACNA Standards, Manuals and Guidelines plus Potential for new member benefit

Mr. Soles reported on discussions with a current re-seller of SMACNA manuals and standards to provide a SMACNA-branded platform in SMACNA’s online bookstore to enable a subscription service for members and nonmembers to fully access, view, send, cut and paste, download and print sections of SMACNA manuals and standards, as well as those of other SDOs and code development organizations. Discussions have also addressed providing SMACNA members’ one gratis seat to the full online SMACNA library as a member service. The Board acknowledged the value of this potential service to members and encouraged its development.

2. Discussion: Rail Industry Issues

a. What are the issues that need to be addressed to identify opportunities, quantify the market and inform and educate members on required skills sets and procurement processes? submitted by Board Member, Tom DeMusis

Mr. DeMusis introduced the topic of rail industry opportunities and markets. Mr. Soles commented on the Industrial Forum presentation by SMART at the 2015 convention, and efforts to coordinate a meeting with SMART to establish some organizing principles to identify specific rail market work, rail distribution centers or hubs, procurement issues, contact with the major carriers and other topics to address. Conversations with SMART senior staff indicate that such a meeting could occur in late spring.

3. Discussion: E-Learning and Learning Management Systems (LMS)

Online self-paced courseware is growing in popularity and may offer an additional vehicle for delivering a host of educational programs to SMACNA members. Mr. Soles discussed current educational delivery venues and discussed specific programs that may be a good fit for SMACNA e-learning development. Board members discussed experiences within their own organizations. Mr. Soles informed the Board that the Business and Financial Management Committee will discuss and provide recommendations at its spring meeting.

K. Committee / Policy Recommendations – President Gast

1. 2020 Convention Location – submitted by Convention Committee

a. Related Discussion – The Convention Committee is desirous of recommending consideration of an east coast location for a future SMACNA convention and requests Board discussion as to the viability/acceptability of such a recommendation.
Mr. Sandusky reviewed his memorandum of January 7, 2016 with Board members regarding future convention location and contingencies. A motion was made seconded and approved to accept the recommendations of the Convention Committee as follows:

1. Approve Las Vegas, NV as the site of the SMACNA 2020 convention.
2. Approve alternate locations of either Marco Island, FL or Maui for 2020 in the event SMACNA is unable to secure acceptable arrangements in Las Vegas, and
3. Tentatively approve the locations beyond 2020 (JW Marriott Marco Island, Grand Wailea, Maui, and Broadmoor, Colorado Springs) with timing dependent on the outcome of discussions about an alternative to Las Vegas for 2020 and the viability of an east coast location.

L. Appointment of Legal Counsel – President Gast
President Gast and CEO Sandusky discussed the appointment of Felhaber Larson as legal counsel to SMACNA, and Board members reviewed a memorandum from Mr. Kelly to the Board detailing his firm’s engagement with SMACNA and qualifications. A motion was made, seconded and approved to appoint Felhaber Larson as legal counsel to SMACNA for calendar year 2016.

M. Appointment of Officer Nominating Committee – President Gast
President Gast discussed the election of the Officer Nominating Committee and presented the slate of Art Williams, John Gundlach, Todd Hill, and automatic appointees, Joseph Lansdell and Jack Knox. A motion was made, seconded and approved to approve the appointments as presented.

N. Action on Proposed 2016 Budget – Secretary-Treasurer Knox
Mr. Knox discussed the 2016 budget proposed by the Budget and Finance Committee and the distinctions between the Operating Budget and New Projects Budget.

A motion was made, seconded and approved to approve a 2016 Operating Revenue Budget of $11,626,125 and an Operating Expense Budget of $10,495,114. (The expense budget reflects the addition of $10,500 for the Contractor Operations Manual Project not contained in the budget recommended by the Budget and Finance Committee).

A motion was made, seconded and approved to approve a 2016 New Project Expense Budget of $17,500. (The expense budget reflects the addition of $5,000 to the new project: Publications Marketing Consultant, not contained in the budget recommended by the Budget and Finance Committee).
V. OPEN DISCUSSION
   A. Discussion Item: Workforce Portability Issues – submitted by Board Member, Hank Artlip

   Mr. Artlip introduced the issue of workforce portability and Board members shared how worker portability was addressed in their areas and local agreements.

VI. ADJOURNMENT

   Having no further business to discuss, a motion was made, seconded and approved to adjourn the meeting to an Executive session with the CEO at 5:30 P.M.
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/SMOHIT 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:

- President: Guy Gast
- President-Elect: Joseph R. Lansdell
- Secretary-Treasurer: Jack Knox
- Vice President: Nathan Dills
- Immediate Past President: Thomas A. Szymczak (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:

<table>
<thead>
<tr>
<th>Month</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>St. Thomas, U.S. Virgin Islands</td>
</tr>
<tr>
<td>July</td>
<td>Whistler, British Columbia, Canada</td>
</tr>
</tbody>
</table>

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.
EXHIBIT D

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)  
EXECUTIVE COMMITTEE  
September 26, 2015  
Colorado Springs, CO  
Meeting Report  

I. CALL TO ORDER:  

President Szymczak called the meeting to order at 7:30 a.m.  

ATTENDANCE:  

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

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  

Excused:  
Jack Knox – Vice President  
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources  

Guests:  
Nathan Dills, Vice President-Elect  
John C. Hauge, Felhaber, Larson, Fenlon & Vogt  
Michael G. McNally, Felhaber, Larson, Fenlon & Vogt  

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. Mr. Sandusky welcomed and introduced Messer’s. Kelly, McNally and Hauge and explained their roles as General Counsel and Labor Counsel to the Association.
B. Review of Convention Schedules and Responsibilities

Messrs. Sandusky and Franco discussed the Executive Committee convention schedules.

1. 2015 Elections
   Mr. Sandusky reviewed the IFUS Trustee Nominees and the SMACNA Board of Directors Nominees for the 2015 Elections during the IFUS and SMACNA Business meetings.

2. Guests
   Mr. Sandusky reviewed the list of special guests attending the SMACNA 2015 Convention.

II. FINANCIAL UPDATE – MESSRS. LANSDELL AND MARANS

1. Convention Projections
   Mr. Sandusky reported on convention attendance and budget projections; 702 paid registrants for 2015 versus 652 for 2014, and 2015 convention registration income of $904 thousand actual against a budget of $784 thousand.

2. SMACNA
   Mr. Marans and Mr. Lansdell discussed contributions (up 14% through August over same period last year) and man-hours (up 9% over last year for that same time period). Mr. Marans reported on the Comparative Balance Sheet through August 2015 and discussed the Income and Expense Summary Report through August 2015.

III. LABOR RELATIONS UPDATE – MR. SANDUSKY

1. General SMART Update
   In Ms. Wyandt’s absence, Mr. Sandusky provided a brief update on SMACNA-SMART interactions.

2. September NJAB
   Mr. Sandusky discussed the 2015 settlement exhibit and reported on NJAB proceedings in the Reno, Atlanta, and CISCO Chapters.

3. Labeling Program
   Mr. Sandusky reported on and presented various exhibits related to the SMART Union Label App. The Committee commented on the potential ramifications of enforcement efforts by SMART.
4. **Joint Executives Meeting**
   The Committee saw no immediate need to press for a Joint Executives Meeting in 2015.

**IV. TECHNICAL UPDATE – MR. HOWARD**

1. **Project Update and 2016 Outlook**
   Mr. Howard apprised the Committee of planned 4th quarter activity in his department including Technical University Program presentations, 60-Day Public Review of both the Total Systems Air Duct Leakage Manual and the revised Fire, Smoke and Radiation Damper Installation Guide, Publication of the Residential Comfort Systems Installation Standard pending ANSI accreditation, and efforts to secure the Phenolic Duct Standard in the 2018 International Mechanical Code. He also previewed planned activities and research for 2016.

2. **ICC Collaboration**
   Mr. Howard reported on collaborative efforts with the ICC with respect to technical educational initiatives.

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

1. **Ongoing Major Project Updates**
   Mr. Soles discussed the status of Market Sector Council projects including the HVAC and Architectural Bid Specification Manuals projects, a white paper on the Business Case for BIM, the Residential Retrofit and Service Operations Program, SMACNA’s Change Order Spreadsheet, and others.

   He discussed the status of the Contractor Operations Manual revision project and planned Business Management programming for 2016. He also provided an update on Safety and Health activities including representation on the ANSI A10 Committee and development of a Confined Space in Construction Model Compliance Program.

2. **Associate Member and Premier Partner Programs**
   Mr. Soles reported on the Associate Member Program and Product Show 2015 goals and results, commenting that both had exceeded revenue and participation goals. He also discussed the recent agreements with Titus and Daikin Applied to join SMACNA’s Premier Partner program and bring the participation count for that elite membership class to four.
3. Website Upgrades and Usage
Mr. Soles discussed progress made in addressing problem areas on SMACNA’s Website, and the development of analytics to track and evaluate website usage. He also commented on the growing SMACNA presence on Facebook, LinkedIn and Twitter.

VI. OLD BUSINESS UPDATES – MR. SANDUSKY

1. Pension Reform
Mr. Sandusky reported on the progress on the Pension Reform and SMACNA’s strong advocacy role in this area.

2. Withdrawal Liability Memos
Mr. Sandusky apprised the Committee of the status of the project to develop withdrawal liability primer memos (one directed towards investors and one for union sheet metal contractors). He noted efforts of legal counsel to appropriately develop and tailor the information. The consensus of the Committee is that the memos would be a resource for staff to use when responding to inquiries, rather than for general distribution.

VII. OPEN DISCUSSION
No additional items were brought forward.

VIII. ADJOURNMENT

Having no further business to discuss a motion was made, seconded and approved to adjourn to an Executive Session at 9:30 a.m.
I. CALL TO ORDER:

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

A. Request for New Business Items
   President Gast requested that committee members identify new business items not already covered in the agenda. No items were brought to the President’s attention.

B. Review Meetings and Events Schedules
   Mr. Sandusky and Mr. Franco reviewed the schedule of the Executive Committee, and the Board social events, schedules and responsibilities.

ATTENDANCE:

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

Staff and Legal Counsel:
Eli P. Howard, III – Executive Director of Technical Services
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
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 Knox/ Mr. Marans

1. Year-End 2015
   Mr. Marans reported on a $1.847M 2015 year-end operating surplus. Man-hours were 8% over 2015 budgeted figures while collections exceeded 2015 budgeted projections by 11%.

2. Investment Report
   Mr. Marans referred to the investment exhibits in the Board meeting books and in particular, the Equity Investments Summary Report. He noted that $1 million was added to the investment accounts in 2015. The Committee discussed the SMACNA investment policy in view of equity market fluctuations and the consensus was to stay within the existing investment policies with respect to investment instruments.

3. Contributions to Reserves – Estimated
   The Committee discussed contributions to the reserve fund and recommends to the Board of Directors that the reserve account be increased by $1.2 million.

4. 2016 Budget Proposal
   Mr. Marans discussed the 2016 budget proposed by the Budget and Finance Committee and a recommendation was made, seconded and approved to recommend that the Board of Directors approve the budget as presented with the addition of $10,500 to the proposed operating budget for the Contractors Operation Manual, and an addition of $5000 to the proposed new project, Publications Marketing Consultant.

   The Committee also specifically discussed and concurred with the recommendations of the Budget and Finance Committee with respect to the College of Fellows subsidy.

B. Policy Recommendations

1. Convention Location
   Mr. Sandusky discussed his January 7, 2016 memorandum to the Board of Directors regarding the Convention Committee’s recommendations on future convention locations and alternatives. The Executive Committee agreed that the Convention Committee’s recommendations were sound.
C. Appointment of Legal Counsel – President Gast

President Gast discussed the issue of appointment of legal counsel and Mr. Kelly referred to a memo from him to the Board of Directors dated December 15, 2015 regarding Felhaber Larson’s work on behalf of SMACNA in 2015, and qualifications. A motion was made, seconded and approved to recommend to the Board appointment of Felhaber Larson as SMACNA legal counsel for calendar year 2016.

D. Selection of Officer Nominating Committee – President Gast

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

III. INDUSTRY SERVICES UPDATES

A. Labor Relations – Ms. Wyandt

Ms. Wyandt provided a labor relations update covering the following topics:

- Overview of the 2016 SMART Business Agents’ Conference
- SMART/Insulators Jurisdictional Dispute Update
- SMART Directive on Reciprocity of Local Training Fund Contributions
- Industry Sympathy Strikes
- Overview of SMART’s Union Label App Program and SMACNA Presentations and Resources Responsive to Contractor Questions and Concerns
- Other topics that will be covered during the Labor Relations portion of the Board’s operational agenda will include:
  - 2015 Sheet Metal Bargaining Trends
  - Best Practices Market Expansion Task Force Strategic Plan Update
  - SMACNA/SMART Joint Workforce Study Project
  - Discussion Item on the Prevalence and Local Experience Negotiating Classified Worker/Helper Classifications.

The Committee reviewed a Labor Committee recommendation that the SMACNA Board consider supporting SMART’s proposed crew cost methodology, provided certain modifications and clarifications are agreed to. (see Labor Committee meeting minutes).

The Executive Committee noted that the Labor Committee had done a thorough analysis of the proposal and arrived at a well-reasoned recommendation worthy of Board discussion. They noted that the Board may identify conditions for support to add to the
list already developed by the Labor Committee (for example, including the value of employer-provided health care for classified workers and clarity around equalization requirements within a local union with multiple contract areas). The Executive Committee discussed the pros and cons of SMACNA support of the concept and noted that engaging with SMART would afford SMACNA the opportunity to shape the methodology and work with SMART to refine the accuracy of the data.

B. Technical Services – Mr. Howard

Mr. Howard commented briefly on the consent agenda report of the Technical Services Department contained in the Board workbooks. He also reported on Board discussion items including;

- Chapter Technical Education programs – 2016 Enhancements
- Chapter Code Committees – Opportunities for SMACNA members
- Delegated design – Challenges for SMACNA Contractors and impact on SMACNA Standards

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

Mr. Soles commented briefly on the consent agenda report of his various departments contained in the Board workbooks. He also reported on board discussion items including;

- Cloud based subscription service for SMACNA standards, manuals and guidelines plus a potential new member benefit
- Rail Industry Issues
- E-Learning and Learning Management Systems (LMS)

D. Government Relations – Mr. Sandusky

Mr. Sandusky reported on progress on pension reform bill and SMACNA successes in 2015 on tax credits and extenders benefiting SMACNA members. Those efforts will continue in 2016.

IV. JOINT TRUST FUND UPDATES

A. LMCC – Ms. Wyandt

Ms. Wyandt reported that the LMCC Trustees had approved a 2016 Budget that would require $130,000 contributions from both SMACNA and SMART. $65,000
from each group would be payable by March 31, 2016. The remainder would be paid by September 30, 2016.

The LMCF contribution was higher than in recent years. The Trustees approved a budget item of $200,000 for the Workforce Futures Project and $100,000 for any regional labor-management meetings that might be scheduled to discuss results of the Workforce Futures Project.

B. National Pension Fund – Immediate Past President Szymczak

Mr. Szymczak reported on proceedings from the September 2015 National Pension Fund Trustees meeting and the anticipated report on fund projections after 2017. He commented that the transition to a new fund administrator has been smooth and Mr. Sandusky concurred that the new administrator related well with SMACNA staff and chapter executives at the December 2015 Council of Chapter Executives meeting.

C. iTi/NEMI/SMOHIT – Mr. Howard

Mr. Howard previewed his report to the Board on the joint trusts. He also noted to the Executive Committee that relationships between parent bodies and trustees have created operating conditions on the trusts whereby input by management trustees on project selection may be more welcome and effective. SMACNA should recognize this opportunity and consult with the management trustees on any potential joint trust projects.

V. ADJOURNMENT

Having no further business to conduct, the Committee adjourned to an Executive Session at 11:45 a.m.