I. CALL TO ORDER:

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

A. Welcome – President Lansdell

President Lansdell welcomed the Board members to the meeting and also recognized and expressed his appreciation of Board members attending their final Board meeting; Messer’s Sickle, Yeager, Leidner and Iannucci. He also expressed his appreciation to departing Executive Committee Member, Immediate Past-President, Guy Gast.

B. Self-Introductions

Board members proceeded with self-introductions.

C. Call for Additional Agenda Items

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

ATTENDANCE:
Members of the Executive Committee:
Joseph R. Lansdell – President
Jack Knox – President-Elect
Nathan Dills – Secretary-Treasurer
Angela Simon – Vice President
Guy M. Gast – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
Members of the Board of Directors:
Hank Artlip  Todd Hill  A. Scott Vidimos
Craig Benson  Angelo Iannucci  Art Williams
Danny Dillon  K. Joe Isom  Raymond W. Yeager
Carol Duncan  Kevin Jones
Brian Fluetsch  John D. Raught
Ken Groeschel, Jr.  John Sickle, Jr.

Excused:
Anthony E. Kocurek
Alfred Leidner

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

Guests:
Joseph Samia – Chair, Council of Chapter Representatives
Harrison Coerver, Strategic Plan Consultant

II. STRATEGIC DISCUSSION

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

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

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

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

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

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

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

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

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

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

III. CONSENT AGENDA


B. Executive Staff Reports
   1. Labor Relations Update – Ms. Wyandt
   2. Market Sectors Council Update – Mr. Soles
   3. Technical Services Update – Mr. Howard
   4. Government Relations Update – Mr. Sandusky

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

IV. OPERATIONAL AGENDA

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

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

   3. Additional Contribution to Reserves
      Mr. Sandusky reported that at its July 15th meeting the Executive Committee approved an additional contribution to the reserves in the amount of $300,000.
4. **Appointment of Auditors**

Mr. Sandusky informed the Board that SMACNA’s contract with its auditors had expired, discussed the proposed renewal terms and advised the Board of the Executive Committee’s recommendation to renew. A motion was made, seconded and carried to approve renewing the contract with Clifton Larson Allen LLP for a term of three years for 2017 through 2019.

B. **Industry Updates**

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

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

2. **iTi/NEMI/SMOHIT Update – Mr. Howard and Mr. Jones**

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

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

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

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

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

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

Mr. Howard reported on a variety of project initiatives and the following:

- Technical Standards Development – 2017 Outlook

- Productivity Enhancement Tools – 2017 Outlook
  Including release of the Gutter/Downspout Sizing App, enhancements to the Duct Construction App, and other Apps under consideration

- 2017 Chapter Technical Education Programs and Industry Meetings. An update on chapter technical education programs delivered and industry meetings at which SMACNA was represented

- National and California Building Code Issues. Details on various code issues and SMACNA representation

D. Policy Recommendations – Mr. Sandusky

1. Legislative Policy Update

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

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

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

1. Hawaii Sheet Metal Contractors Association – potential SMACNA Chapter

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

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

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

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

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

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

F. **Government Relations – Mr. Sandusky**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Officer Nominating Committee Report and Election – President-Elect Knox
Mr. Knox, Chair of the Officer Nominating Committee, submitted the following slate of candidates for Board consideration:
A motion was made, seconded and carried that nominations be closed and that the Officer Nominating Committee’s slate of candidates be elected by unanimous approval.

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

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

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

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

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

The 2016 approved mid-year projects are:

<table>
<thead>
<tr>
<th>Project</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCCMP Membership and Lobbying</td>
<td>$102,500</td>
</tr>
<tr>
<td>Seismic Restraint Manual</td>
<td>$62,200</td>
</tr>
</tbody>
</table>

V. OPEN DISCUSSION

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

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

VI. ADJOURNMENT TO EXECUTIVE SESSION WITH THE CEO

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

VII. EXECUTIVE SESSION BOARD ONLY

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

BOARD OF DIRECTORS

MEETING REPORT

JANUARY 9, 2017

ST. THOMAS, USVI

I. CALL TO ORDER:

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

A. Welcome – President Lansdell

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

B. Self-Introductions

Board members proceeded with self-introductions.

C. Call for Additional Agenda Items

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

ATTENDANCE:

Members of the Executive Committee:
Joseph R. Lansdell – President
Jack Knox – President-Elect
Nathan Dills – Secretary-Treasurer
Angela Simon – Vice President
Guy M. Gast – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer
Members of the Board of Directors:
Hank Artlip            Ken Groeschel, Jr.            Alfred Leidner
Craig Benson          Todd Hill                   John D. Raught
Danny Dillon          Angelo Iannucci            John Sickle, Jr.
Carol Duncan           Kevin Jones                A. Scott Vidimos
Brian Fluetsch        Anthony E. Kocurek        Art Williams
                                      Raymond W. Yeager

Excused:
Frank Battaglino
K. Joe Isom

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:
Joe Samia – Chair, Council of Chapter Representatives
Tom Gunning, SMACNA Labor Committee member
John Ilten, SMACNA Labor Committee member

II. STRATEGIC DISCUSSION

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

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

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

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

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

III. CONSENT AGENDA

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

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

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

IV. OPERATIONAL AGENDA

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

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

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

D. **Industry Updates**

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

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

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

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

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

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

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

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

4. **Market Sectors Council Update**
Mr. Soles reported on significant Market Sectors Council projects including a shift in emphasis to the development of white papers such as the recent *Business Case for BIM* and *Making RFI’s More Effective*, and planned papers on *Virtual Design in the Architectural Metals Sector* and *Enhancing Your Customer Service Operations*. He reported on the recent meeting between SMART’s Industrial Committee and SMACNA’s Industrial Contractors Council Steering Committee and a planned joint meeting between the two organizations’ Architectural Sheet Metal Council Steering Committees.

The Board discussed Mr. Groeschel’s topic regarding development of a SMACNA Estimating Manual. Mr. Soles reported this topic is an agenda item for the HVAC Contractors Council Steering Committee meeting in February, and apprised the Board of the 2016 developments and discussions relating to SMACNA’s Reference Manual for Labor Units, the Octavianno National Mechanical Estimator document, and MCAA’s LEM. Board members questioned the undertaking given the availability of industry estimating software, the individual nature of company estimating techniques, the continual impact of prefabrication, spooling and other productivity enhancements and the anticipated extraordinary costs to develop and maintain such a manual. The Board will await input from the HVAC Contractors Council Steering Committee.

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

1. **2017 Project Outlook**

Mr. Howard discussed Technical Standards and projects under development for 2017 including:

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

2. **2017 Chapter Educational Programs**

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

3. **2017 Industry Meetings**

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

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

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

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

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

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

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

   **December 19, 2016** Joseph Lansdell/Guy Gast/Nathan Dills/Angie Simon/Jim Boone/John Ilten/Vince Sandusky/Deb Wyandt – SMACNA Metropolitan Detroit Chapter, Troy, MI

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

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

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

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

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

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

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

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

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

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

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

K. **Appointment of Legal Counsel – President Lansdell**

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

L. **Appointment of Officer Nominating Committee – President Lansdell**

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

M. **Action on Proposed 2017 Budget – Secretary-Treasurer Dills**

Messrs. Dills and Sandusky discussed the 2016 budget proposed by the Budget and Finance Committee and the distinctions between the Operating Budget and New Projects Budget. Senior Staff commented on new project proposals in their areas of responsibilities.

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

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

V. **OPEN DISCUSSION**

A. **Department of Commerce Workforce Development Committee – Mr. Yeager**

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

B. **Other Issues**

None.
VI. ADJOURNMENT

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

VII. EXECUTIVE SESSION WITH CEO

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

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

A. Request for New Business Items

President Lansdell requested that committee members identify new business items not already covered in the agenda. 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:
Joseph R. Lansdell – President
Jack Knox – President-Elect
Nathan Dills – Secretary-Treasurer
Angela Simon – Vice President
Guy M. Gast – Immediate Past President
Vincent R. Sandusky – Chief Executive Officer

Staff and Legal Counsel:
Eli P. Howard, III – Executive Director of Technical Services
Thomas J. Soles, Jr. – Executive Director of Member Services and Market Sectors
Deborah A. Wyandt – Executive Director of Labor Relations and Human Resources
Daniel R. Kelly, Felhaber Larson – SMACNA General Counsel
II. REVIEW ACTION ITEMS FROM BOARD OF DIRECTORS MEETING
AGENDA

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

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

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

3. Additional Contribution to Reserves
The Committee discussed a staff recommendation to provide an additional contribution to the reserves. A motion was made, seconded and approved to move $300,000 from the operating account into the reserve account.

4. 2017 Mid-Year Budget Adjustments
Secretary-Treasurer Dills commented on the June 21, 2017 conference call meeting of the Budget and Finance Committee and Mr. Sandusky discussed the mid-year budget adjustment exhibits contained in the Board workbooks.

5. Selection of Auditors
Mr. Sandusky informed the committee that SMACNA’s contract with its auditors had expired and discussed the proposed renewal terms. A motion was made, seconded and approved to approve recommending to the Board renewing the contract with Clifton Karson Allen LLP for a term of three years for 2017 through 2019.

B. Selection of IFUS Nominating Committee – President Lansdell

President Lansdell and Mr. Sandusky discussed the process for the SMACNA President to fill three vacancies to the SMACN-IFUS Nominating Committee.

C. Leadership Vacancies

1. Nomination for vacant Board seat (Battaglino)
Mr. Sandusky reported that Board member Frank Battaglino has resigned from the SMACNA Board of Directors due to personal reasons. He discussed an application received from James Morgan of Worcester-Air Co. with the SMACNA Boston Chapter. A motion was made, seconded and approved to recommend to the
Board approval of Mr. Morgan’s appointment to the Board of Directors to complete Mr. Battaglino’s unexpired term.

2. Nomination for vacant IFUS trustee seat (Battaglino)
   Mr. Sandusky reported on a SMACN-IFUS Trustee vacancy occasioned by Mr. Battaglino’s resignation and discussed a candidate nomination form received from Kathleen Bigelow of Comfort Control, Inc. A motion was made, seconded and approved to recommend that Kathleen Bigelow be appointed a SMACN-IFUS Trustee to fill Mr. Battaglino’s unexpired term.

D. Strategic Planning Task Force Recommendations

President-Elect Knox and Mr. Sandusky discussed the work of the Strategic Planning Task Force and reviewed the four task force recommendations for discussion with the Board of Directors. The Committee also discussed consideration of addressing a fifth Financial objective and concluded that this “objective” would best be addressed by charging staff with a task of identifying sources of non-dues revenue and reporting back to the Board with recommendations.

III. INDUSTRY SERVICES UPDATES

A. Labor Relations – Ms. Wyandt

1. Ms. Wyandt provided an overview of 2017 collective bargaining negotiations. First year settlements are slightly higher than those negotiated last year. Sheet metal settlements are in line with those of the other construction trades. The vast majority of areas were successful in settling their contracts at home.

2. Ms. Wyandt reported that two contract renewals and one grievance were on the docket for the June NJAB. All cases were successfully resolved. The meetings were constructive and the contractor representatives appearing felt well prepared and represented by SMACNA.

3. Ms. Wyandt reviewed the status of the crew cost wage equalization discussions with SMART. SMACNA has clear guidance from the Executive Committee and Labor Committee on the items that SMACNA is advocating for on behalf of contractors. While no resolution has been reached, the discussion has been constructive. The Executive Committee reviewed and approved a draft letter responding to SMART’s May 26 proposal.

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

5. Mr. Sandusky updated the Executive Committee on the status of the SMART Heroes Pilot project in Western Washington and the Executive Committee noted the importance of making sure the Heroes Pilot is successful in recruiting and training trades’ workers who will serve the industry prior to engaging in discussions on the funding of future Heroes programs.

6. Mr. Dills, SMACNA Co-Chair of the Best Practices Market Expansion Task Force, indicated that he will be providing the Board with an overview of the March 2017 Task Force meeting and updated the Committee on plans for the 2018 Partners in Progress Conference.

7. Ms. Wyandt reported on a new program to assist Chapters in conducting Local Joint Adjustment Board (LJAB) arbitration hearings that will be held at the conclusion of the December 2017 Council Meeting in Tucson.

8. The Executive Committee reviewed a Board Discussion item related to the legal implications of contractors installing video cameras and GPS devices in company provided trucks. Ms. Simon provided the details of a related grievance pending against her company and described how she and the Bay Area Chapter are responding to the grievance.

B. Technical Services – Mr. Howard

Mr. Howard referred the committee to his Consent Agenda report contained in the Board meeting books, and commented on select items in the following areas:

- Technical Standards Development – 2017 Outlook
- Productivity Enhancement Tools – 2017 Outlook
- 2017 Chapter Technical Education Programs and Industry Meetings
- National and California Building Code Issues
- SMACNA Testing and Research Institute

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

Mr. Soles referred the committee to his Consent Agenda report contained in the Board meeting books, and commented on select items in the following areas:

- Work with the Hawaii Sheet Metal Contractors Association on Affiliation with SMACNA
- New and Planned Programs contained in the SMACNA Contractors Operations Manual
- Work on Developing an Advanced Project Managers Institute
• A Proposal to Develop a SMACNA Leadership Institute

D. Government Relations – Mr. Sandusky

Mr. Sandusky updated the committee on SMACNA legislative efforts emphasizing the continued work and focus on pension reform and the critical timing to support reform efforts now and in the coming year. He also discussed a California inquiry regarding national legislative/regulatory involvement in state or regional issues.

E. Convention – Messrs. Sandusky and Franco

Mr. Sandusky and Mr. Franco commented on the status of convention registrations, extended room blocks at both the Grand Wailea and Marriott that were approaching capacity and the end of early registration discount period.

IV. JOINT TRUST FUND UPDATES

A. LMCC – Ms. Wyandt

Ms. Wyandt provided an overview of the July 2017 LMCC Trustees teleconference meeting. The Trustees reviewed the 2017 budget and audit and approved the Fund financial reports. Ms. Wyandt noted that the 2017 contribution for SMACNA and SMART was $160,000 each to be made in two installments of $80,000.

B. National Pension Fund – President Lansdell

President Lansdell reported on developments in the National Pension Fund including the incremental increase in funding and impact on VBAR.

C. iTi/NEMI/SMOHIT – Mr. Howard

Mr. Howard commented on proceedings from the recent Joint Trusts meetings and reported on the following issues:

- NEMI’s pursuit of state legislative initiatives to get fire life safety requirements enforced
- SMOHIT plans to promote attendance at its 2018 Safety Conference and promotion of its STEPS Program
- iTi funding for the Heroes Program
- Introduction of a pilot two-week condensed iTi Residential Service program
- Completion of the Lean Construction curriculum review
V. OTHER DISCUSSION ITEMS

A. Stipend for Trustees

The Committee discussed management trustee expenses not covered by the Joint Trusts and agreed to recommend a modest stipend. A motion was made, seconded and approved that SMACNA provide each SMACNA-appointed trustee a stipend of $30 for each night away from home on trust business, as authorized by the trust, up to a maximum of $500 per trustee, per calendar year.

B. Financial Support of Pension Reform/NCCMP

Mr. Sandusky discussed his and the associations work with the NCCMP addressing issues relative to Multi-Employer Pension Plans, and the mid-year budget proposal to join NCCMP as a Sustaining Member with Steering Committee representation. He reported on contractor associations providing additional financial support to NCCMP pension reform efforts and the critical timing of such support. After discussion, the committee approved a recommendation to amend the relevant mid-year budget proposal.

A motion was made, seconded and approved to recommend that the Board provide funding of $27,500 in 2017 for Sustaining Member participation in NCCMP and an additional $75,000 to support pension reform lobbying efforts.

C. SMART Heroes Program Financial Support

The Committee discussed program financial support noting SMACNA’s current participation through the iTi Joint Trust’s financial contributions. The Committee commented on SMACNA’s support of the programs goals and the iTi’s trustee oversight and concluded that while very supportive of the program not enough information was available currently to address realistic funding requests of SMACNA. The Committee agreed to revisit the issue in 2018 as more details became known.

D. SMACNA 75th Anniversary

Mr. Sandusky reported on the SMACNA 75th Anniversary date of 2018 and advised the committee that there will be yet unknown related budget items for next year.

VI. ADJOURNMENT

Having no further business to conduct, the Committee adjourned to an Executive Session at 11:58 a.m.