

BOARD OF DIRECTORS MEETING
Minutes
Semi-ah-moo Resort, Blaine
June 29, 2007

Call to Order

President Doyle called the Board of Directors meeting to order at 11:20 a.m. Doyle led the BIAW members in the National Anthem.

Roll Call

Secretary Mosier-Vaudt confirmed there was a quorum.

Approval of Minutes

President Doyle entertained a motion to approve the March 7, 2007 minutes as written.

MOTION: So moved.

MSP

President's Report

President Doyle welcomed the BIAW members to the Board of Directors meeting. Doyle gave an update on membership. BIAW's membership is booming with May totals at 12,869 which represents a net gain of 239 since April. BIAW's retention rate is at 84.9%. Unfortunately Texas bumped BIAW from the 4th largest association nationally to the 5th. BIAW's goal is now to reclaim the #4 spot.

Doyle gave an update on the upcoming education cruise set to sail September 9 - 16, 2007 from Seattle to Alaska. He encouraged BIAW members to take advantage of the opportunity to combine business with pleasure.

BIAW-004638

The legislative session adjourned on April 22 and was a successful session. BIAW stopped a number of bad bills. The most egregious of which was the Weinstein Home Owners Bill of Rights. BIAW is planning on participating in Speaker Chopp's Consumer Protection Task Force to explore ways to better protect consumers from bad contractors.

BIAW also passed two important bills: a permit timeline bill and a contractor registration bill.

There are currently two bad rules BIAW continues to work on. The heat stress rule was implemented by L&I last week. BIAW will sue L&I over the rule as soon as the Department issues its first heat stress citation. Until then, BIAW recommended requiring L&I inspectors to obtain a warrant before entering a job site. BIAW continues to work on appeal of the DOE's restrictive Stormwater permit. The appeal is pending. Meanwhile BIAW continues to help members learn how to comply with the rule and certify people as erosion specialists.

In BIAW's efforts on the political front we continue to search for vote fraud. BIAW has sued Pierce County for violating the Public Records Act related to the ACORN registration documents.

Doyle said he is encouraged by the support from the Local Associations to contribute to BIAW's 2008 Governor's Fund. So far 11 Local Associations have stepped up to give \$550,000 to the fund. President Doyle thanked everyone who has chosen to participate in electing a pro-housing, pro-business Governor in 2008.

Guest Speaker - Dino Rossi

President Doyle introduced Dino Rossi, President of Forward Washington Foundation.

The Board of Directors applauded Mr. Rossi giving him a warm welcome.

Mr. Rossi thanked the BIAW members for their support in his past endeavors and everything they do for Washington State. Dino gave a power point presentation on Forward Washington Foundation which is a non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of Washington state, its citizens and its economy.

President Doyle thanked Dino Rossi then shared recent statewide poll results. He said recent polling numbers from Dresner, Wickers & Associates showed Rossi at 43% and Gregoire at 47%. In the Seattle media market Gregoire's favorable is 42.5 vs. Rossi 39 and Gregoire's unfavorable is 35.5 vs. Rossi's 24.5. Only 43.5% feel Gregoire deserves to

be re-elected and 45.2% feel she doesn't. Also, only 42.7% feel Gregoire has earned another 4 years as Gov. vs. 48.9% who feel she has not earned another 4 yrs.

Treasurer's Report

Treasurer Kyle LaPierre reported on the Statement of Revenue and Expenditures and Balance Sheet dated May 31, 2007. The statement shows revenues are \$274,000 dollars over projections and expenditures, including the capital expenditures are \$73,000 under projections. With rising interest rates the interest revenue is \$39,000 over projections. ROI enrollment revenue is \$143,000 dollars over projections. Health Insurance revenue is \$9,000 over projections and the Education Program revenue and expenses are \$80,000 and \$28,000 dollars respectively over projections. B&O taxes are \$953 dollars over projections as a result of the higher ROI revenue.

Brad Spears, Sou Chiam and Kyle met with Bill Stordaht from AG Edwards yesterday and will be updating the investment policy.

LaPierre entertained a motion to move the excess Retro rebate monies, totaling \$1.4 million, to line item 1030 on the Balance Sheet.

MOTION: So moved.

MSP

State Representative's Report

John Piazza, State Representative, gave an update on the business of NAHB. He said the Legislative Conference in Washington DC was a great success. There was a record attendance of 1,257 builders. John gave an overview on issues NAHB is currently working on. He prepared two reports, which give details on those issues, upon his return from Washington, DC. Those can be obtained from Local Association Executive Officers. He encouraged BIAW members to get involved with NAHB activities by attending the meetings scheduled to take place in Seattle in September.

President Doyle encouraged each of the Local Association Presidents to send their National Directors to the NAHB meetings in Seattle.

Committee Reports

Membership Committee Report

Linda Mosier-Vaudt, Chair of the Membership Committee, reported that the Spike Party was attended by 146 people; 91 Spikes and 55 guests. During the event, Don Cash received his 1,000 Spike ring and Leonard Terzenbach received his Statesman plaque for 500 members.

On National Membership Day BIAW had 100% participation with 434 new members. The Oliver Group was in attendance for the meeting to discuss BIAW's 2007 Membership Campaign which will include a statewide training day in Wenatchee on September 20, 2007 followed by a two-day statewide membership drive on October 24 and 25, 2007. BIAW's goal is at least a ten percent increase.

Legislative Policy Committee Report

Chairman John Bratton began by thanking Mark Shaffer for his service to the Legislative Policy Committee (LPC) the past year and announced that Mark would be serving on the Legislative Strategy Committee (LSC) to provide continuity. Bratton also thanked Pat McBride for his service as BIAW's representative on the State Building Code Council (SBCC). Pat was able to work with the SBCC on the 2006 building code to take bad codes out and replace them with good codes.

The legislative session was a success. BIAW defeated the Weinstein warranty bill (SB 5550). Speaker Chopp played the key role in killing the legislation. The Speaker is putting together an interim taskforce to work on the issues of consumer protection. BIAW has met with Speaker Chopp and will participate in the taskforce. The Legislative Strategy Committee will manage BIAW's participation with the interim study.

As mentioned earlier, Mark Shaffer will continue to serve on the LSC with Doug Barnes, MBA of King & Snohomish Counties and Randy Gold, North Central HBA will also serve on the LSC.

Two bills Bratton highlighted were the Unregistered Contractor bill and the Underground Economy Study bill. Both were supported by BIAW and signed by the Governor.

There was one motion to be brought forward to the Board of Directors.

MOTION: To support a licensing requirement for general contractors administered by the Department of Licensing and a Residential Contractors Board.

MS

Audrey Borders spoke on the motion. She said there are positives to licensing contractors and staff did a great job with their presentation. But there are also questions which she hoped staff would address. They are as follows:

- What are the consequences if BIAW decides to go ahead with licensing contractors? What about the small contractor that does small commercial construction? Will they be considered as two different companies and be required to have two licenses?
- What about the sub-contractor who doesn't have a license? Does that make the general contractor responsible for all their warranties and workmanship?
- Having one person as the responsible person and/or owner required to take classes and hold the license; who owns the company, the person who takes the class or the owner?
- What if you are a family owned business and the person licensed passes away. Does all your family have to take the classes to make sure the company can continue?

This will not change the facts. Shoddy work will continue and people will continue to do work under the table. We are still going to get blamed for bad contractors.

Don Koidahl agreed with Audrey stating that the building industry is so broad and it will be difficult to put all contractors under one license.

John Piazza spoke in opposition of the motion. The motion said BIAW supports licensing requirements for general contractors. To pass the motion is like opening a Pandora's box; the ramifications could be bad in the future. It appears we are on a fast track to licensing. To add a licensing requirement would not solve the illegal contractor issue. The legislators need to be educated on the real issue. Bonds have risen from \$3,000 to \$6,000 and now to \$12,000 in an effort to raise the bar. The State is not solving the real problem and neither will licensing. By supporting licensing we are pulling another mandate on ourselves. The issue needs to be thought through. John said he spoke with Dino Rossi regarding the idea of licensing and Rossi agreed. He said "you would have to be nuts to want a licensing law. It is not going to solve the real problem. Give it a year and see what happens after the election."

Jeff Hansell respectfully disagreed stating that a number of years ago licensing was discussed, examined and there was great support. The reason licensing is being discussed is a direct response to Senator Weinstein's bills this past session. Speaker

Chopp is convening a group to talk about solutions. BIAW has the opportunity to be at the table. If the motion is not in place we cannot go in and talk about licensing. If we don't, they will talk about it and come up with a solution they think is best. We know what is best for us and need to work with Speaker Chopp. We are already registered. Licensing would not add an additional layer; it would replace the requirement to be registered.

Don McDonald said licensing requirements will make contractors spend money and time on continuing education but that will not solve consumer complaints. The complaints will continue. Currently licensing is a solution without a problem. We need to find the problem and then advocate the solution. Also the Contractors Board is appointed by the Governor.

Ted Clifton said he didn't like the exact wording of the motion. He does, however, support the premise of the product on the shelf. BIAW needs to have a well-thought comprehensive product readily available to be considered.

Don McDonald requested an amendment to the motion.

AMENDMENT: To strike the word "support" and add "will consider" in an effort to maintain a neutral position.

AS

MOTION RESTATED: BIAW will consider a licensing requirement for general contractors administered by the Department of Licensing and a Residential Contractors Board.

Ed Stanton asked what will happen to the commercial contractor. A number of builders are residential and commercial contractors. Will they have to have two licenses?

CALL FOR QUESTION ON THE AMENDMENT: Passed.

VOTING ON THE MOTION AS AMENDED: Passed.

President Doyle presented Mark Shaffer with a gift certificate in appreciation for his service on the LPC.

Legal Trust Committee Report

Eric Stahlfeld, Chair of the Legal Trust Committee (LTC), reported there were two cases to be brought forward to the Executive Committee. The LTC met on June 20, 2007. The

following is a summary of the cases that the LTC recommended for BIAW funding, totaling \$11,000:

Futurewise v. Gold Star Resorts, Inc.

In 2005, Futurewise filed a lawsuit against Whatcom County, alleging that the County's Local Areas of More Intensive Rural Development (LAMRIDs) had inappropriate boundaries and descriptors and that rural areas were too dense. Interestingly, much of this zoning pre-dates the GMA and was upheld as valid in the mid-1990s. Gold Star Resorts intervened at the Hearings Board, and the Board ruled against the County and Gold Star. While the County declined to appeal—allegedly for political reasons—Gold Star did. Superior Court Judge Mura reversed the Board, finding the Comprehensive Plan compliant in all respects.

Futurewise appealed to the Court of Appeals and oral arguments were held on May 30th, 2007. The major issues on appeal are whether the seven-year comprehensive plan review necessitates a comprehensive overhaul of the plan—to the detriment of uninformed rural property owners—and whether a bright-line rural density should be imposed (as approved by the Board in contravention of *Viking Properties*).

The Legal Trust Committee recommended and Executive Committee approved funding of \$5,000 for future fees if the case goes forward to the Supreme Court.

CPM Development Corporation v. City of Pasco

CPM Development Company (Central Pre-Mix) operates a sand and gravel mine in Pasco. The area is designated mineral resource lands of long-term commercial significance in the Pasco Comprehensive Plan. The Central Pre-Mix site currently operates under special permits issued in 1995 by the City of Pasco that allow a broad range of sand and gravel extraction and processing related activities until January 1, 2025.

In August, 2004, Central Pre-Mix requested a modification of one of the special permits to allow a hot mix asphalt (HMA) plant. In September, 2006, the Planning Commission and City Council denied the request, finding the HMA plant an industrial use—not an extraction of minerals allowed by the special permits—and thus inconsistent with the underlying residential zoning. Central Pre-Mix filed a LUPA appeal, and the damages action was removed to federal trial court by the City of Pasco. The issues on appeal include uses allowed by special permits, the priority and relation of special permits to zoning codes, and required use of an FEIS to determine actual impacts.

The Legal Trust Committee recommended and Executive Committee approved funding of \$6,000 for an amicus brief.

Executive Officers Council Report

Sandy Hershelman, Chair of the Executive Officers Council (EOC), gave an overview of the previous day's EOC events. The Committee explored a wide variety of topics during a general discussion time. Each HBA brought its Events Coordinator for a roundtable event. The group will continue to meet at each board meeting as well as stay connected throughout the year. Mark Straub led the government affairs portion of the meeting.

Marc Straub was elected 2008 EOC Chair and Joel White 2008 EOC Vice Chair.

There was also discussion regarding a need for increased communication between BIAW and the Local Associations Executive Officers.

President Doyle said Senior Officers and Local Association Presidents are now meeting on a regular basis.

Education Committee Report

Chairman Cary Butler reported that the Education Committee members discussed the licensing update and the impact it would have on the Education program.

BIAW held 32 classes in the month of May with 522 members in attendance. As of May 31, 2007 BIAW has: 12 Certified Graduate Associates; 30 Certified Graduate Builders; 117 Certified Graduate Remodeler; 87 Certified Aging-in-Place Specialists and 35 Residential Construction Superintendents. The Local Associations have been given an October 1st deadline to request education courses. The number of courses will be limited this year in an effort to reduce the cancellation rate.

The Education Cruise is still set to take place in September. It is a great education opportunity.

BIAW awarded 22 education scholarships totaling \$34,000 dollars.

Bylaws and Nominations Committee Report

William Childress, Chair of the Bylaws and Nominations Committee, said the Committee reviewed the nominees for inductees into the Hall of Fame and forwarded the names of Rick Tremaine and Robert Camp for selection by the Executive Committee.

The Committee also interviewed and forwarded as qualified the nomination of Juli Bacon for 2007 BIAW Secretary. The Committee forwarded as qualified the nomination of Sherry Schwab for 2007 BIAW State Representative to NAHB. And a motion was

made to forward the nomination of Randy Gold as qualified for BIAW Life Director. That is an honor that needs to be approved by the Board of Directors.

MOTION: To approve the election of Randy Gold for BIAW Life Director of the Building Industry Association of Washington.

MSP

There was a bylaw change, an amendment to Article 14, Section 3A, which changes the Associate Advisory Council Chair from the Secretary to the Second Vice President.

MOTION: To approve the bylaw change.

MSP

To close his report, Childress announced the nominations for the Fall election as follows:

Brad Spears	President
Kyle LaPierre	First Vice President
Linda Mosier-Vaudt	Second Vice President
Matthew Clarkson	Treasurer
Juli Bacon	Secretary
Sherry Schwab	State Representative
Leonard Terzenbach	Associate National Director

Linda Mosier-Vaudt asked if there were other positions available.

William Childress said yes, National Director and Alternate National Director.

Linda Mosier-Vaudt nominated William Childress as National Director.

MOTION: So moved.

MS

William Childress said the motion was moved and seconded and the nomination would be noted.

Childress asked if there were any other nominations. The call was made three times, and hearing none, the nominations were closed.

Associate Advisory Council Report

Linda Mosier-Vaudt, Chair of the Associate Advisory Council (AAC), reported that Leonard Terzenbach brought forward the idea to have the Council provide a brochure to help raise funds for the BIAW PAC in an effort to add funds to the WAIC's future political races.

50+ Housing Council Report

No meeting was held.

Washington Builders Benefit Trust Report

In the absence of Rick Tremaine, Kathy Gingrow gave the WBBT and HIT report. The ROI enrollment is up 145 companies and the retention is currently over 92%. And there are 558 new companies. The investments are going extremely well up over 18% over the last 12 months. The ROI refunds were in excess of \$50 million dollars with Local Associations receiving over \$4.8 million in marketing assistance fees which is \$900 thousand more than last year and \$1.4 million more than what was budgeted.

The HIT retention is at 87 percent with 110 new groups, which is on target for last year at the same time. The program covers over 25,000 lives and has a premium base of \$78 million dollars. A motion was passed to retain the auditing firm, Sweeney Conrad, for two more years.

President Doyle said he wanted to dispel a rumor. Doyle said the same formula is used each year to calculate what the projected ROI refunds will be. No one knows the amount until the check is received from the Department of Labor & Industries. BIAW was fortunate this year to have the excess that was received. Doyle thanked the Local Associations for their contributions.

The ROI MAF checks were distributed to each Local Association.

Washington Affordable Housing Council Report

Kevin Patrick, Chair of the Washington Affordable Housing Council (WAHC), reported that a sub-committee was formed at the previous meeting to go over the WAHC Bylaws and Policies. The sub-committee brought forth their recommendations to the WAHC members. A motion was passed to forward the sub-committee WAHC Bylaws & Policy amendments with thirty-day notice to the WAHC Trustees for approval or rejection at the November WAHC meeting. There are two items in the policy changes that might require discussion at the next meeting. They are:

1. Raise the Local Association WAHC contributions from \$15 to \$20.

2. Raise the minimum automatic support level to 80%. This would raise the bar in which a candidate is supported. Anything below the 80% would need to be discussed by the WAHC before supporting.

A motion was passed to approve the financial statement. The following Local Associations presented checks: HBA of Kitsap County, HBA of Tri-Cities, Central Washington HBA and Spokane HBA. There was also a motion to fund the House Republican Organization Committee in the amount of \$5,000. The motion was seconded and passed. Then there was a motion passed to endorse Senator Jim Clements in the 14th Legislative District with no funding.

Remodelers Council Report

Sherry Schwab, Chair of the Remodelers Council (RC), said the Council discussed the 2007 Legislative Session. Schwab thanked BIAW for successfully stopping Weinstein's bill. The Unregistered Contractor bill passed. Schwab thanked John Bratton and Joe Schwab for their work with L&I on the bill.

Schwab complimented the staff on the presentation viewed by the RC on the licensing program. The Council said they would support continuing investigation of the licensing program.

The REX Awards and Remodelers Events were a huge success. The golf tournament had over 50 participants. The REX Awards program had 55 entries and was the best presentation program ever. Sherry thanked Jeff Hansell for serving as Master of Ceremonies and Tom McCabe for helping as well. The Council will work to increase statewide participation. They will be sending out a letter soliciting participation with a copy of a winner CD and application to Local Associations to encourage more entries. Remodelers Jeopardy was also a lot of fun and challenging.

The Council voted and Eric Clark agreed to serve as Remodelers Council Vice Chair. The RC decided to create a subcommittee of the current Remodelers Council Chair and past two Remodelers Council Chairs to help maintain continuity in selecting future remodeling leadership.

Past Presidents Council Report

President Doyle acknowledged the Past Presidents and Second Past Presidents in attendance.

Chairman Jeff Hansell said the Past Presidents Council discussed the BIAW 5-year Strategic Plan. The Council agreed to meet with the Senior Officers during the NAHB Fall Board meeting in Seattle.

Old Business

Audrey Borders

Audrey Borders gave an update on the Construction Academy which is up and running. The doors will open in September and is sanctioned by the local school district. Youth in the Junior and Senior classes that want to attend have the option. They have raised \$25,000 and have hired a teacher. They will build and sell their projects. The final classes are paid internships with the option to continue to work after the class. They have the blessings of the school district, union, and the Department of Labor and Industries.

New Business

Kevin Russell

On behalf of the North Peninsula Builders Association (NPBA) Kevin recognized John Piazza. The Future Builders program received notification from the National office and because of John's efforts they have prevailed. Russell also thanked Tom McCabe for his aid and support. NPBA now has a program that is recognized nationwide.

Open Microphone

Lyle Fox

Lyle Fox recognized the Officers and staff for the great job on the committee meetings and suggested that the timeframe for the Executive Committee meeting and Board of Directors meeting time be shortened which would allow members to attend the meetings then check out of the hotel on time.

John Piazza

John Piazza said that the National Research Center in Washington DC is an incredible facility. There are currently *eight other states in the nation with research centers*. Piazza suggested that BIAW create a research center. It would make a difference in the future of the building industry.

President Doyle suggested John present that as part of the BIAW 5-Year Strategic Plan.

Adjournment

Meeting adjourned at 1:40 p.m.