

# 2010

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Advocating for Free Enterprise

The Year in Review

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Association of Washington Business

Annual Report

## Message from the President

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The impact of the Great Recession continues to unfold in new and unforeseen ways for private sector employers. Despite a difficult year, AWB still increased its membership — and reach. We thank you for supporting us during these tough times.

Our primary mission continues to be advocacy and helping lawmakers understand the impact of their decisions on the private sector. In 2010, that meant stepping up our lobbying efforts during the legislative session. It also meant taking a more active role during the 2010 elections. As a result, tax-limiting measures like Initiative 1053 passed and others, like the state income tax proposal (I-1098), didn't.

We still face challenging times. As we look ahead to 2011, your participation is integral to our continued success. Please take a moment to review this top-line year in review. We look forward to serving you again in 2011.

Thank you again to all of you, our members, for your continued commitment and strong support.

Sincerely,

A handwritten signature in black ink that reads "Don C. Brunell". The signature is fluid and cursive.

Don C. Brunell

## Accolades for AWB

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AWB was again singled out for excellence by nationally recognized organizations in the areas of membership, operations and communications. In 2010, AWB staff garnered the following awards:

- **Association of State Chamber Professionals:** AWB earned five awards, including four first place honors for highest retention in dollars, highest market share, highest growth in numbers and highest retention improvement in numbers. The staff also received an honorable mention for highest retention in numbers.
- **LifeWise President's Award:** AWB's HealthChoice plan was one of two plans selected by the LifeWise Assurance Company as one of its two top producers for 2010. The company cited HealthChoice for its phenomenal growth.
- **Magnum Opus:** One of the nation's top journalism schools, the Missouri School of Journalism, awarded AWB six honors in its Magnum Opus publications competition, including four for editorial content in Washington Business magazine, a silver award for the 2009 annual report, and a bronze for the 2009 Legislative Review and Vote Record.

## Financial Overview

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### Income & Expenses

Overall, AWB income exceeded expenses, and our net income was 50 percent ahead of plan. Dues income was 4 percent better than plan for 2010. New Dues was 16 percent better than plan, while Regular Dues (including Sustaining, First Year Renewals and Increases) was 2 percent above budget.

Non Dues Income, which includes our HealthChoice association health plan, CompWise retrospective rating program, seminar and event revenue, ended the year slightly below plan — less than 1 percent. AWB derives additional revenue from meetings, interest, communications projects, rent and reimbursables.

AWB also closed out the 2010 fiscal year just 1 percent over plan on expenses, thanks to internal efforts to find continued efficiencies within the association.

The association also continues to have \$1 million in board-designated reserves.

 **50**  
**PERCENT**  
HIGHER NET INCOME  
THAN PLAN

**NEW DUES WAS**  

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**16** **PERCENT**  
**BETTER**  

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**THAN PLAN**

# Membership

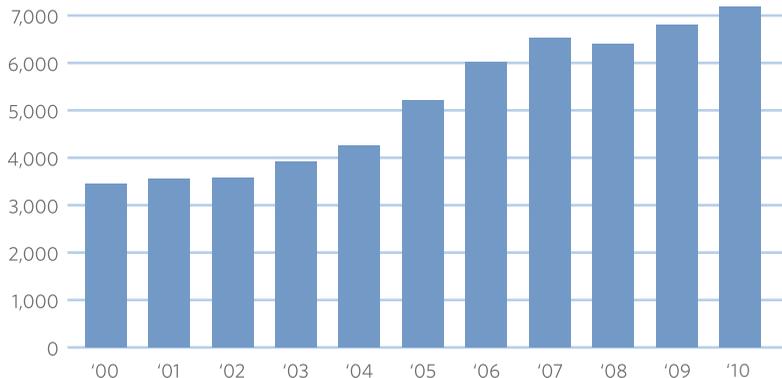
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**7,107**  
**AWB MEMBERS**  
A NEW MEMBERSHIP  
RECORD

Despite a difficult economy, employers of all sizes and industries continue to invest in membership with AWB. As of Sept. 30, 2010, AWB concluded the fiscal year with 7,107 members, a net increase of 286 members. AWB Membership staff continue to identify and cultivate a diverse array of new members, making our association one of the strongest in the country. In 2010, the Association of State Chamber Professionals awarded AWB four first place awards for membership efforts — an achievement the team aims to repeat in 2011.

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## AWB Membership Growth Since 2000



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# Member Services

**SMALL  
EMPLOYERS**  
RELY ON HEALTHCHOICE  
TO PROVIDE AFFORDABLE,  
QUALITY BENEFITS  
FOR EMPLOYEES

## HealthChoice

In the 2010 fiscal year, AWB added 580 members — 25 percent growth — in HealthChoice enrollment. Many of AWB's smallest members rely on HealthChoice to provide more affordable, quality benefits for their employees and families. On average, 40 percent of the enrolling employers didn't previously offer health coverage.

AWB's HealthChoice program continues to demonstrate value to employers year after year: 88 percent renew their health coverage annually. Thanks to association health plans like HealthChoice, more than 500,000 employees in Washington state have access to health-care coverage they might not have otherwise.

## Member Services *(continued)*

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**Nine**  
**MILLION**  
**IN REFUNDS**  
SHARED BY MEMBERS  
PARTICIPATING IN  
THE COMPWISE RETRO  
REFUND PROGRAM

### CompWise

Participants in AWB's retrospective rating program, CompWise, shared nearly \$9 million in refunds this year, and AWB returned 100 percent of the refund to employers. (Participants pay an administrative fee up front; the refund formula is merit-based.) Employers with the best safety record receive a higher portion of the refund, which helps create even greater incentives for employers to engage in safety and accident prevention.

Member satisfaction with AWB's retro program is extremely high, as nearly all participating companies re-enroll in the program each year.

## AWB Institute

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The Institute  
awarded four  
students the  
**Don C. Brunell**  
**Scholarship**  
for Future  
Leaders.

In 2010, the Institute continued its efforts around the manufacturing sector, workforce development and environmental compliance, and received nearly \$75,000 to help employers improve stormwater runoff efforts and workforce development.

The Institute also awarded four students the Don C. Brunell Scholarship for Future Leaders, an honor encouraging young people interested in business as a potential career path. The 2010 recipients included: Samantha Gwazdauskas of Lake Stevens (University of Arizona); Andrew Millikan of Portland, Ore. (Portland State University); Josh Millikan of Portland, Ore. (Multnomah University); and Holly Steward of Olympia (University of Idaho).

# Service & Community Giving

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## Individual Excellence

AWB honored six individuals this past year for their personal contributions to the business community:

- Former Democratic leader and state **Sen. Sid Snyder** was the 2010 recipient of the C. David Gordon Award, AWB's highest award in recognition of Washingtonians who distinguish themselves in service to the state of Washington.
- **Collins Sprague**, government relations manager for Spokane-based Avista Utilities, received the Ron Gjerde Award for excellence in government affairs.
- **Paul Razore**, president of Sanitary Service Company in Bellingham, received the 2010 Bruce A. Briggs Award for outstanding community service.
- **Jeffrey L. Gingold**, a shareholder with Lane Powell LLC, received the 2010 S. Fred Bruhn Award for dedicated service to AWB.
- **Rep. Susan Fagan**, R-Pullman, received the 2010 Judy Coovert Award for excellence in volunteerism to the association.
- **Sen. Joseph Zarelli**, R-Ridgefield, received the 2010 Jim Matson Award for consistent support of business and competitiveness issues in the Legislature.

## Holiday Kids' Tree Project

An Olympia holiday tradition, the Holiday Kids' Tree Project raised nearly \$21,000 in donations for individuals and families in need. AWB distributed donations to 15 rural fire departments in seven counties: Grant, Grays Harbor, Lewis, Mason, Spokane, Thurston and Walla Walla. The project, which culminates each December in a community holiday gathering on the state Capitol campus, continues to exceed donation expectations, even during these tough economic times.

PROJECT  
RAISED  
NEARLY  
\$21,000  
IN DONATIONS

# Events



Edmund Schweitzer, founder and president, SEL, Inc. asks a question at the 2010 Policy Summit

In 2010, AWB continued its tradition of providing members with access to nationally recognized speakers on key political and business issues at its signature events. More than 1,200 members attended AWB events this year, including:

- AWB Legislative Day at the Red Lion Hotel in Olympia
- AWB Annual Spring Meeting at The Davenport Hotel & Tower in Spokane
- AWB Regional Meetings in nine cities
- AWB Policy Summit at Semiahmoo Resort

AWB appreciates the support of our 103 member sponsors this year and looks forward to welcoming even more member companies as sponsors in 2011.

# We Mean Business Campaign

AWB launched a new campaign in 2010 to help build support for the association and private sector employers. The “We Mean Business” campaign includes a mix of direct mail and targeted ad buys in business publications around the state featuring real business owners and AWB members talking about the economy. Additional donations will be used to fund future media buys around the state.

“Sales are down, and costs are up. And now our unemployment rates have increased again. The added costs impact of our employees are making it very hard to stay competitive when consumers expect more for less.”

Eric Brulotte, Owner  
Spokane Comfort Systems

**Our State's Business Climate is Tough. But you can do something about it.**

Eric, Brulotte and thousands of business owners are doing everything they can to survive in this economy. They're cutting costs, finding ways to innovate and getting by with less.

But sometimes it feels like the odds are stacked against them. Business taxes have jumped. An income tax is headed to the ballot this fall. And, the past legislative session, policymakers failed to make critical, systemic changes to gain spending under control.

The result? A massive \$3 billion budget deficit. Which means lawmakers will be looking for ways to bridge the gap. That could raise costs on employees—again—and jeopardize jobs.

We can't control the ups and downs of the economy. But we can promote a more business-friendly climate in Washington state.

To help ensure your voice is heard in Olympia, visit [www.AWB.org](http://www.AWB.org) and click on “We Mean Business.”

**AWB** Association of Washington Business  
PO Box 658, Olympia, WA 98507-0658 800.521.9225 [www.AWB.org](http://www.AWB.org)

“State government doesn't have a revenue problem; it has a spending problem. I don't mind paying my fair share of taxes, but I want to know it's being spent wisely. What they do to business has a ripple effect throughout the state's entire economy.”

Amy Igloi-Matsuno, Owner  
Amy's on the Bay, Port Orchard

Above: Amy Igloi-Matsuno, Owner, Amy's on the Bay, Port Orchard  
Left: Eric Brulotte, Owner, Spokane Comfort Systems, Spokane



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## 2010 AWB Executive Committee Officers

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**CHAIR OF THE BOARD, David Brukartd**  
Sterling Savings Bank, Spokane

**SECRETARY-TREASURER, Tom Hosea**  
KeyBank, Tacoma

**VICE CHAIR OF THE BOARD, Lynn Townsend-White**  
Western Polymer, Moses Lake

**IMMEDIATE PAST CHAIR, Jack McRae**  
Premera Blue Cross, Mountlake Terrace

### AWB Executive Team

**DON BRUNELL**, President

**DICK WALTER**, Vice President, Operations

**KRISTOFER T. JOHNSON**, Vice President

**GARY CHANDLER**, Vice President, Government Affairs

**JOCELYN McCABE, APR**, Vice President, Communications



*AWB is Washington state's chamber of commerce and one of just four state chambers in the country to be "accredited with distinction" by the U.S. Chamber of Commerce.*