



December 11, 2018

Meeting Report

**Joint Roofing Alliance Board of Trustees and Full Roofing Alliance Member Meeting**

Nov. 16, 2018

8 – 11:30 a.m.

Trump International Hotel and Towers

1. Call to Order

Alliance President Rod Petrick called the meeting to order at 8 a.m. and welcomed everyone in attendance. He explained that this was a joint meeting of the Alliance Board of Trustees and full Alliance members. He then explained we would not do self-introductions but did ask everyone present to sign the attendance sheets on each table. He then extended a special welcome to the Roofing Alliance's newest members in attendance: Erica Jackson, CYE Enterprises Inc. and Allan Gillespie, Gillespie Roofing Inc.

**Alliance Board Members present:** Dane Bradford, Josh Kelly (Alliance Vice President), Stephen Kubicka, Dave Lawlor, George Patterson, Rod Petrick (Alliance President), Jonathan Reader, Chris Salazar, Kyle Thomas and Dan Tinker (called in).

**Alliance Board Members absent:** Greg Bloom, Bob Daly, Rudy Gutierrez, Tom Saeli and Tom Walker.

**Alliance Members present:** Kent Anderson, Tremco Inc.; Troy Baker, SRS Distribution; Jim Barr, Barr Roofing Co.; Tim Blue, Blue's Roofing Co.; Dick Bus, ATAS International Inc.; Marc Cameron, Diamond Roofing; Chad Collins, Bone Dry Roofing Co.; Dennis Conway, Commercial Roofers Inc.; Trent Cotney, Cotney Construction Law LLP; Peter Coyne, OMG Roofing Products; Geoff Craft, National Roofing Partners; Rick Damato, Damato Enterprises; Jason Dark, Duro-Last, Inc.; Matt Dupuis, Structural Research Inc.; Rene Dupuis, Structural Research Inc.; Will Fort; John Geary, Nations Roof; Allan Gillespie, Gillespie Roofing Inc.; Scott Gipson, FiberTite Roofing Systems; Helene Hardy-Pierce, GAF; Erica Jackson, CYE Enterprises Inc.; Bryan Karel, Garlock-French Roofing; Jim MacKimm, Beacon Roofing Supply Inc.; Daryl Maronic, Dataforma Inc.; J. Dudley Miles, J.D. Miles & Sons; Sherri Miles, JD Miles & Sons Inc.; John Miller, Acme Roofing Sheet Metal; Bob Morgan, Upstate Roofing & Painting Inc.; Brian Mumpy, Johns Manville Roofing Systems; James Patterson, CentiMark Corp.; Stephen Phillips, Hendrick Phillips Salzman & Siegel; Philip Siegel, Hendrick Phillips Salzman & Siegel; Mike Steele, Tremco Inc.; Stephen Teal, Flynn Group-Canada; Kelly VanWinkle, King of Texas Roofing Company LP; Lance VanWinkle, King of Texas Roofing Company LP

**Others present:** Rick Bonfim, Merrill Lynch; Jamie Christensen, NRCA staff; McKay Daniel, NRCA COO; Harry Dietz, NRCA staff; Heidi Ellsworth, HJE Consulting Group; Bill Good, NRCA Senior Advisor; Carl Good, NRCA staff; Mark Graham, NRCA staff; Bennett Judson, Alliance Executive Director; Jack Krapf, Merrill Lynch; Alison LaValley, NRCA staff; Jessica Priske, Alliance staff; Reid Ribble, NRCA CEO; John Schehl, NRCA staff; Amy Staska, NRCA staff

2. Minutes

**A motion was made, seconded and unanimously passed to approve the minutes from the April 26, 2018 Roofing Alliance Board of Trustees meeting in Fernandina Beach, Florida.**

3. Previous Board Approvals by Electronic Votes

President Petrick reported The Board of Trustees had previously approved the following three recommendations by electronic votes. The approved items are being presented as a matter of record, there is no action required at this time. A copy of the audited financial report was included in the meeting notebooks which Alliance members had access to prior to the meeting. The approved recommendations were:

- ▶ to discontinue the Alliance's relationship with Beacon Pointe Advisors
- ▶ to update the current investment policies to include a statement that a request for proposal should be sent out to investment firms every two to three years (the exact time to be determined).
- ▶ the Audited Financial Report for Fiscal Year Ended May 31, 2018

4. Finance and Financial Development Committee Report

Dane Bradford, chairman of the Alliance Finance and Financial Development committee, reported that the committee had met on Thursday. As of September 30, 2018 the fund balances are at \$10,081,232 for the Alliance's general checking and investment funds and \$1,805,904 for the scholarship investment fund. All revenues and expenses are in line with budget; five months into our fiscal year. He pointed out that the financials were included in the meeting notebooks which Alliance members had access to prior to the meeting.

President Petrick introduced Jack Krapf who reported on the status of the investment funds and gave his economic overview. Following are highlights from Mr. Krapf's report.

- ▶ As of September 30, 2018 the S&P 500 was up 10.60%
  - a. October 2018 S&P 500 was down 6.80%
  - b. As October 2018 ended S&P 500 was up 3.0%
- ▶ As the market closed on 10-29-18 was down 9.9% from its closing high made on 9-20-18
  - a. The decline in market value was just short of its 6<sup>th</sup> correction of 10% or more since this market rally starting 9.5 years ago.
- ▶ Inflation or not inflation- Market corrections
  - a. Sometimes markets correct for no reason at all, it's just technical trading that creates systematic model trading
  - b. Although there is a concern that the fed might raise rates too high to fast.
  - c. Why would Fed do that?
  - d. Fed's mission is dual- Control inflation and keep economy growing.
  - e. Concern about inflation and wage gains.
  - f. Unemployment rate U3 suggest economy is at full employment.
  - g. However, the U7 is at 7%. So, although construction industry is at full employment adding pressure to wages the national economy is not at full employment.
  - h. Fed's concern is that wage flation would add pressure to inflation I don't think that's going to happen in the near term.
  - i. Wage flation does not create inflation.
  - j. Discuss velocity of money and how inflation actually occurs.
  - k. Earnings are beginning to grow in the national economy.
  - l. But 22.5% of the unemployed Americans have been out of work for at least 27 weeks as of 10-31-18. 42.60% of unemployed Americans had been out of work for at least 27 weeks as of 10-31-11 or 7 years ago.
  - m. I don't think Fed is going to raise rates too high to fast. In 2018 the Fed has pulled 1 Trillion dollars in excess capacity from the banking system.
  - n. There is however a risk of a boom bust scenario.
    - a. Significant stimulus tax cuts- deregulation and low unemployment
    - b. This could help an immigration policy change.
- ▶ Service Sector remained robust in October
- ▶ Existing Home sales edged down in September
- ▶ Manufacturing index edged down in September week ending 10-13
- ▶ Economy is red hot- Election Thoughts

5. Updates - Programs, Projects and Committee/Task Forces

President Petrick began the updates by directing the members' attention to five updates that were included in the meeting notebooks but would have no formal presentations.

-National Women in Roofing

- Colorado State's CM Cares Program
- the 2019 Gold Circle Awards Program
- 2018-19 Most Valuable Player (MVP) Awards Program
- 2019-20 Melvin Kruger Endowed Scholarship program

**For the updates, highlights/key points from the in-person reports are noted in the minutes.**

#### **A. Alliance Partnership with Ronald McDonald House Charities**

- ▶ Members originally agreed to fund the initiative at the April, 2017 meeting
- ▶ Goal is to connect Alliance and NRCA members with 165 standalone Houses in the U.S.
- ▶ President Petrick issued challenge at Fall 2017 meeting to have all Houses adopted by this meeting (As of this meeting, the roofs of 134 Houses have been adopted.)
- ▶ President Petrick recognized several of members who have adopted multiple houses and our manufacturer, distributor and supplier partners who are donating materials for multiple projects.
- ▶ the Canadian Roofing Contractors Association will be developing a similar partnership with Ronald McDonald Houses in Canada.
- ▶ Sheila Musolino, President and CEO of RMHC Global addressed members.
  - She thanked Roofing Alliance members for their partnership
  - She reported that the Roofing Alliance has been added to the Ray Kroc RMHC Donor Wall, in the Chicago office.
  - She thanked members for supporting RMHC's Giving Tuesday which be on Nov. 27, 2018.

#### **B. Branding Task Force**

NRCA CEO Reid Ribble spoke first clarify the differences between the Roofing Alliance, NRCA and NRCA's One Voice Initiative. Mr. Ribble acknowledged/thanked the Branding Task Force for the work done to help promote the professionalism of our industry.

- ▶ The Roofing Alliance is the foundation for the NRCA. It focuses on philanthropic endeavors and provides funding for scholarships, research and education – to help shape the future of the roofing industry.
- ▶ The National Roofing Contractors Association (NRCA) is one of the construction industry's most respected trade associations that advocates on behalf of its membership with a number of organizations – CNA, FM, UL, building codes, government agencies, etc.
- ▶ NRCA's One Voice Initiative unites the industry in order to address the roofing industry's most critical issues and concerns—with one voice—to secure its future. NRCA invites manufacturers, distributors, architects, engineers, consultants and service providers to fully engage with NRCA, as partners, and actively address the industry's most pressing issues.

Heidi Ellsworth reported next on behalf of the Roofing Alliance Branding Task force.

- ▶ the Branding Task Force charge was to:
  - create a refreshed brand identity with a clearer, more contemporary logo and engaging tagline
  - create a compelling story for current and prospective members
  - develop new marketing plans and materials to revitalize Alliance brand
  - increase the intensity of ongoing communications

- ▶ results of task force meetings, discussions, conference calls:
  - a refreshed logo (used on November meeting materials)
  - a revised mission statement (Following Ms. Ellsworth's report, **a motion was made, seconded and unanimously approved by members present to accept the revised mission statement as presented.**)
- ▶ an elevator pitch and talking points have been developed for members to use/customize in sharing the Roofing Alliance story.
- ▶ the Roofing Alliance website and email template are being revised. (Prototypes were shared with members)
- ▶ social media posts will be daily – facebook, twitter, instagram and linked in (members are strongly encouraged to like and share Roofing Alliance posts.)
- ▶ public relations efforts and social media posts have begun – and are already being picked up/shared by a number of industry organizations and publications.

### **C. Construction Management Schools Initiative**

Kyle Thomas, Co-chairman of the Alliance Construction Management Schools Initiative reported on the 2018-19 Student Competition:

- ▶ 12 teams will be participating; 7 teams are new
- ▶ this year's project is the Hilton Franklin Cool Springs Hotel, Franklin, TN (Special thanks to Curtis Sutton and Chris Baxter with Rackley Roofing who are responsible for this year's project.)
- ▶ written proposals are due Dec. 10, 2018
- ▶ judges will select four finalist teams who will come to the 2019 IRE in Nashville and give oral presentations on Tues., Feb. 12, 2019
- ▶ winning teams will be announced at NRCA Industry Awards Ceremony and Cocktail Reception being held Tuesday evening.
- ▶ members are encouraged to show their support by interacting with the students at the Alliance member reception and by attending the Student Competition on Tuesday morning.
- ▶ if any members have a project for the 2019-20 competition in Dallas, let Mr. Thomas or staff know.

George Patterson, chairman of the Roofing Alliance Construction Management gave an update on the Faculty Research Project Task Force.

- ▶ the team from Arizona State University (ASU) was selected to conduct the survey; work has already begun
- ▶ the study will identify:
  - demographics of roofing company owners
  - demographics of roofing employees
  - workloads (location of work, type of work, type of operations, etc.)
  - workforce characteristics
  - size of the industry
- ▶ ASU methodology:
  - Part 1: Survey development, testing, refinement (Sept.-Dec.)
  - Part 2: Data collection, analysis and reporting (Jan.-Sept.)
  - Part 3: Predicting the number of roofing contractors in the U.S. (Sept.-July)
- ▶ a group of 40 members will be asked to participate in the survey development stage
- ▶ all members are encouraged to participate when contacted
- ▶ reporting – an interim report will be given at the April 2019 member meeting; a final report will be available Fall, 2019.

Bill Good, NRCA Senior Advisor gave a brief background summary on the construction management initiative and reported on his outreach to the construction management community on behalf of the Roofing Alliance.

- ▶ He reported there are two objectives for the Roofing Alliance's work with construction management:
  - to generate interest in the roofing industry as a career for CM students
  - to have more roofing-related materials included in course curricula so CM students have a better understanding of the roofing industry.

Efforts to date include:

- ▶ developing curriculum materials and encouraging Alliance members to become engaged with local CM schools; we've had success with at least four major CM schools to date
- ▶ hosting an annual student competition in conjunction with the IRE; the Roofing Alliance is hosting its fifth competition in 2019; three schools participated in the first competition; 12 schools are participating in the 2019 competition.
- ▶ building relationships with the American Council for Construction Education (ACCE), the accrediting body for schools of construction. Bill currently:
  - represents the Roofing Alliance on the ACCE Board
  - completed training to serve on ACCE's accrediting teams
  - currently serves on the ACCE search committee charged with finding a new ACCE president
- ▶ building relationships with CM schools faculty.
  - offering summer scholarship grants to faculty members
  - encouraging Roofing Alliance members to connect with local faculty
  - faculty research study being conducted by Arizona State University
- ▶ providing information to interested Alliance members about how to successfully recruit CM students.

#### **D.Vo-Tech/Technical School Task Force**

James Patterson, chairman, and Rick Damato reported on the newly-formed Task Force's recommendation to research SkillsUSA and explore ways the roofing community can connect with them. Mr. Patterson explained the intent would be to start slow and steady with outreach to vo-tech and technical trade schools, similar to the way we began with construction management schools. The purpose of the presentation at the meeting is to introduce members to SkillsUSA. The next step is a possible funding request for the Roofing Alliance's consideration at their April 2019 meeting.

- ▶ a video on SkillsUSA was shared with members ([https://www.youtube.com/watch?v=G0bRr8GD\\_Lw](https://www.youtube.com/watch?v=G0bRr8GD_Lw))
- ▶ SkillsUSA has been in existence for over 50 years; all specialty trades, except for roofing, are represented in their annual conference.
- ▶ partners with SkillsUSA have access to 18,000 classrooms (4,300 have a construction curriculum); 62,000 students in those construction classes
- ▶ 2018 conference had 19,000 attendees including 10,000 students (6,200 were competitors who earned their way into the competition by winning state or regional competitions)
- ▶ why should the roofing industry should partner with SkillsUSA? To:
  - enhance the image of the roofing industry
  - become a recognized trade within the Career and Technical Education (CTE) community
  - give our members and affiliates a direct connection to the CTE community in their operating areas
  - form partnerships to market ProCertification within the construction arena of the CTE community
  - form partnerships with post-secondary CTE schools to offer NRCA-developed training Curricula

-form partnerships with CTE educators who may train to become ProCertification Qualified Assessors

### **E.Member Development**

Dane Bradford reported for Rob Therrien, Member Development chair.

There are four objectives to generate revenue for 2018-19 through multiple avenues for the Roofing Alliance, as well as to expand the organization's visibility:

- ▶ Expand Alliance membership and generate \$300,000 in new member commitments (Two new members have joined since June 1, 2018.)
- ▶ Raise \$50,000 for the Melvin Kruger Endowed Scholarship campaign (In the last few years, \$50,000 has been raised for the Melvin Kruger Endowed Scholarship fund as a part of a larger, ongoing capital campaign.)
- ▶ Secure at 3-5 new donors for the Planned Giving Program (A total of \$600,000 in gifts has been received over the last several years from the Roofing Alliance's Founding Donors who have left charitable bequests, established charitable trusts or used some other form of estate planning to support our planned giving initiative)
- ▶ Increase marketing efforts to re-energize Alliance brand and engage the industry.

### **F.NRCA ProCertification**

John Schehl, NRCA's Vice President of Certifications gave an update on NRCA's ProCertification program:

- ▶ professional installer certifications
- ▶ foreman certification
- ▶ qualified assessor
- ▶ authorized testing locations

### **G.Silica Objective Data Collection**

Harry Dietz, NRCA's Director of Enterprise Risk Management reported on NRCA's silica objective data testing.

- ▶ to date, the collection of objective data from roofing projects includes 22 sampling projects reflecting a variety of roofing tasks that may have involved products or materials that could produce respirable crystalline silica (RCS)
- ▶ most results have been positive, meaning the results have been below the action level set out in the rule or even below detectable limits of the sampling method.
- ▶ going forward the NRCA objective data collection is a living document that will be revised as further sampling is performed so that contractors have the benefit of a wide variety of sampling on roofing tasks involving numerous products and materials.
- ▶ resources – Mr. Dietz referenced NRCA's website which lists tools for contractors to use to comply with provisions of the U.S. Occupational Safety and Health Administration's (OSHA's) new regulation targeted at respirable crystalline silica (RCS) in the workplace.

### **H.Moisture Release in Concrete Roof Decks**

Matt Dupuis with Structural Research gave an update on the moisture release in concrete roof decks study.

- ▶ Since the previous report (April, 2018), the test chambers at SRI's laboratory in Wisconsin continue to collect data. Data collection will continue through December 2018
- ▶ Data collected will be utilized to validate computer modeling of the concrete and roofing components.
- ▶ To utilize this computer modeling, the concrete used needed to be hygrothermally

characterized. This work was done by Dr. John Straube at his laboratory in Waterloo, Canada.

- ▶ SRI recently traveled to meet with Dr. Straube and his team
- ▶ Their report will be included as an appendix to SRI's report to the Roofing Alliance and other partners in the Spring of 2019.
- ▶ once data collection is complete in December, 2018, SRI can officially validate the computer modeling. Once officially validated, the modeling will be used to make hundreds or even thousands of simulated roofs around North America.
- ▶ the results of these vast simulations will dictate the recommendations and/or guidance that result.

#### 6. Wrap-Up

President Petrick finished the meeting with a few closing remarks and reminders.

- ▶ Project funding requests. The Roofing Alliance will be considering funding requests at the April, 2019 member meeting. Proposals are due Jan. 1, 2019. Mr. Petrick encouraged members to reach out to any individuals or organizations they know of that are planning to submit requests and share the project funding guidelines with them.
- ▶ A new project review committee was formed. This committee will review all funding requests first. If they feel it's appropriate for funding, it will be forwarded to the Board of Trustees. If they have questions or feel additional information is needed before going to the Board, they will request additional information. If they feel the request is not appropriate for funding, they will let the individuals/organizations know. We need members for this committee. Let Mr. Petrick or staff know if anyone is interested in serving on this committee.
- ▶ If members are interested in serving on any other committees or task forces, let Mr. Petrick or staff know.
- ▶ Mr. Petrick encouraged members to plan to attend Roofing Alliance events at the 2019 IRE in Nashville:
  - Roofing Alliance "dessert and cordial" reception on Sunday evening, Feb. 10, 2019
  - Construction Management Student Competition Oral Presentations, Tuesday, Feb. 12.
  - NRCA Industry Awards Ceremony and Cocktail Reception, Tuesday evening, Feb. 12.
- ▶ Mr. Petrick asked members to mark their calendars and plan to attend the next Roofing Alliance member meeting, April 24-27, 2019 at The Wigwam, Litchfield, Arizona.

#### 7. Adjournment

There being no further business, the meeting concluded at 10:45 a.m.