



The Roofing Industry **ALLIANCE** for Progress

May 27, 2010

Meeting Report

The Roofing Industry Alliance for Progress

April 16, 2010

Four Seasons Resort Aviara North San Diego, Carlsbad, CA

1. Call to Order and Self-Introductions

Alliance President Reid Ribble called the meeting to order at 8 a.m./pacific time. He began by welcoming the members in attendance. He gave a special welcome to Mr. Bob Gardiner and Mr. Jay Butch with CertainTeed – the Alliance’s newest member.

He then keyed the meeting up by stating there would be four big ideas presented for the members’ consideration. These four ideas come with some big costs so members will need to decide the next steps for the Alliance.

He then asked everyone in attendance to introduce themselves.

2. Finance and Financial Development Committee Report

Mr. Ribble introduced Dan Murphy, chairman of the Alliance Finance and Financial Development Committee, and asked him to step forward for his report.

Mr. Murphy said that overall the numbers are in good shape. Revenue is coming in better than budgeted and investment income is higher. The endowment fund, scholarship fund and operating P&L are all solid. There is optimism for 2010-2011. He thanked the committee members, staff and Jack Krapf for all their hard work. He recognized Will Fort and Derek Thomas whose terms on the finance committee expire as of May 31, 2010. Mr. Murphy then asked Jack Krapf to step forward to report on the performance of the investment funds.

Mr. Krapf began by giving his thoughts and potential actions and then he gave a detailed report on the status of both the endowment and scholarship investment funds as of March 31, 2010.

- There will be continued growth in the first half of the year; this is mostly coming from inventory build-up; the economy will slow in the second half of the year; the GDP will be 3-4 percent
- There will be slow to negative growth over the next 5 to 6 years due to the following factors: deleveraging in the private sector; leveraging in the public sector; wealth redistribution; healthcare; card check and cap and trade.
- The Bush tax cuts will go away in 2011.
- Corporations and individuals will see higher taxes.
- He will continually monitor events and policies and will tweak the portfolio based on foreseeable conditions.
- Following the April meetings, Mr. Krapf plans to pull funds out of converts and as the market continues to go higher, he will remove money from domestic and developed markets.

When Mr. Krapf finished, Mr. Murphy returned to the podium. He explained that the goals/fiduciary responsibilities of the committee are: 1)to make sure strong financial disciplines are in place; 2)to have strong transparency in all reporting; 3)to have a high level of communication between the committee and the membership and 4)to have a plan in place to raise funds, increase membership and to re-energize current members. The committee meets and conducts conference calls on a regular basis. He reminded Alliance members that financial information is always available to them upon request.

Mr. Murphy went over the combined statement of activities explaining that Column A is the current budget for 2009-2010; Column E shows where we expect to end up; and Column F is the 2010-2011 Operating Budget which both the Finance and Financial Development Committee and the Alliance Board of Trustees had approved. This approved budget includes funding for RoofPoint in the amount of \$150,000 for the first year. And it includes more funds for scholarships -- \$19,000 for renewals and \$20,000 for four new Melvin Kruger Endowed scholarships for the 2010-2011 school year.

He assured the members that the Alliance is in good financial shape. Currently we are keeping the CPI in practice, it's just not shown on the financial report any longer. The budget shows a bottom line of \$33,000 to the good. *(A copy of the approved budget is attached with the minutes.)*

3. Alliance Board of Trustees Report

President Ribble reported on the action taken at the Alliance Board of Trustees Meeting held on Thursday, April 15, 2010.

The Trustees were agreeable to offering different levels of membership in the Alliance as follows: \$25,000/Gold; \$16,000/Silver; \$10,000/Bronze and possibly a \$5,000 level. These new levels would not provide involvement in the decision-making process. The thought is that by simply being listed as Alliance members and participating in important Alliance projects is incentive enough to join at these levels.

A motion was made, seconded and approved to move forward with the additional levels of contractor membership that were recommended along with a fifth, ongoing commitment level – \$1,000/Friends of the Alliance for both new and current members.

The Communications and Marketing Task Force and the Project Task force will develop the different levels further (identify criteria, benefits how to get buy-in from smaller contractors, etc.) and report back to the Trustees at the October meeting.

President Ribble advised the Alliance members that two task forces – the Communications and Marketing Task Force and the Project Task Force had met on March 4, 2010. As a result of that meeting, three project ideas were presented to the Trustees. The Trustees approved of the three ideas with the understanding that they will be presented in detail to the Alliance at the Friday meeting and the Alliance members will decide whether or not to move forward on any or all three of the ideas.

The following three ideas were presented to the Alliance by Dave Harrison and Bill Good.

1) The Alliance would serve as a central data collection point for the roofing industry, collecting data such as labor details, types of roofing systems, trends, market shares, etc. A system would then be devised to disseminate the data in a confidential manner. There would be initial costs for survey development then the service would eventually be self-sufficient. It would take approximately five months to develop a timeline and to implement the service.

Questions/Comments from the group:

- ▶ This would have to be a very coordinated effort. There would have to be buy-in from groups currently offering a similar type of service to their members such as ARMA and SPRI.
- ▶ Who would purchase the data? -- manufacturers, investment bankers, industry suppliers, insurance companies and some contractors.
- ▶ Confidentiality is critical, therefore, a third party should handle it.
- ▶ Collecting data initially is important but maintaining it is equally important.

President Ribble asked for a show of hands to determine the interest level – a large majority of the Alliance members present were in favor of developing the data collection idea further. A task force is to be formed to do due diligence and report back at the October, 2010 meetings.

2) The Alliance would provide business management training for roofing contractors with CEU credits good toward certification. Right now there is a gap in industry training for small- to medium-sized companies and there appears to be a potential demand for this type of training. Initial funding would be required for curriculum development with the idea that the programs would be self-sufficient in time.

President Ribble asked for a show of hands to determine the interest level – the interest level for this idea was low. No further action is to be taken at this time.

3) Establish a National Roofing Training Center that would provide ongoing training in energy photovoltaics, calculating energy savings, etc. – everything encompassing the energy movement. Training could be in the form of classroom instruction, DVD programs, webinars, etc. There are three potential approaches for creating a training center: 1) create it as part of the Alliance, 2) create a new, separate organization dedicated solely to training or 3) work in conjunction with Penn State University which has just secured Department of Energy funding to create a solar training center. The estimated first-year costs would be approximately \$1 million with the idea that the program would be self-sufficient in the long run. Funding sources could include seed money from the Alliance, the Department of Energy, independent companies outside the industry, manufacturing firms within the PV community, etc.

President Ribble asked for a show of hands to determine the interest level – a large majority of the Alliance members present were in favor of moving forward. The next step would be to form a task force to look at what other programs are currently out there, how successful they are, etc. and report back at the October, 2010 meetings.

4. Project/Program Updates

David Riley gave a status report on the Penn State Research on **Business and Contract Strategies for Solar PV Systems in Roofing Applications** and advised a consolidated report on the current research will be available August, 2010. (*A copy of the power point presentation is available upon request.*)

Jim Hoff, Research Director for the Center for Environmental Innovation in Roofing reported on **Phase One of the Field Performance of PV Roofs**. He reported that there was a 25 percent

response rate and two-thirds of the respondents gave email addresses which will be used for follow-up in order to conclude the report. *(A copy of the power point presentation is available upon request.)*

Mr. Hoff then presented the **RoofPoint** Grant Request. The Center for Environmental Innovation in Roofing (CEIR) has created a new guideline rating system for the selection of roofing systems that maximizes energy efficiency and minimizes environmental impact. This assessment system is called RoofPoint. *(A copy of the complete proposal is attached with the minutes.)*

At the conclusion of Mr. Hoff's report, **a motion was made, seconded and passed to approve funding in the amount of \$750,000 (over the next three years) for RoofPoint -- \$150,000 payable in 2010-11; \$300,000 payable in 2011-12 and \$300,000 payable in 2012-13 with the understanding that: 1)Alliance members are to be on the board, 2)the program will be co-branded with the Alliance, and 3)there will be benchmarks and milestones established to monitor the progress of the program.** The Alliance Finance and Financial Development Committee will hold a conference call to discuss the funding.

5. Recognition of Retiring Alliance Board of Trustees

President Ribble formally recognized the Alliance Board of Trustees who are retiring and were in attendance at the Friday Alliance meeting: Rob McNamara, F.J.A. Christiansen Rfg. Co., Milwaukee, WI and Michael Vall, Firestone Construction Products Group, Indianapolis, IN. He also acknowledged Gary Wolfe, Wolfe Roofing & Sheet Metal Inc., Reading, PA, as the third retiring Trustee but who was unable to attend the meeting. President Ribble thanked them all for their service on the Board.

President Ribble reported that at the time of the meeting, the slate of officers for 2010-11 was not complete. However following the meeting it would be completed, submitted to the Board of Trustees for their approval and recorded in the minutes.

Since the meeting, the slate of officers was completed, submitted to the Board of Trustees and approved as follows:

Alliance President - Geoff Craft, Roofing Supply LLC, Dallas, TX
 Alliance Vice President - Will Fort III, Fort Roofing and S/M Works, Sumter, SC
 Alliance Secretary/Treasurer - Dan Murphy, Longmeadow, MA

6. Recognition of Retiring Alliance President Reid Ribble

Vice President, Geoff Craft, thanked Reid Ribble and presented him with plaques for serving both as a Trustee and as President of the Alliance.

7. Presentation: Regaining Prosperity – Stephen Moore

President Ribble then introduced Stephen Moore who is Senior Economics Writer, The Wall Street Journal Editorial Board and FOX News Contributor. Mr. Moore joined The Wall Street Journal as a member of the editorial board and senior economics writer on May 31, 2005. Mr. Moore shared his perspective on the current economic issues, including budget, tax and monetary policy. *(A copy of Mr. Moore's power point presentation is available upon request.)*

8. Next Alliance Meeting

President Ribble thanked Mr. Moore and then reminded the group that the next Alliance meeting will be held in conjunction with NRCA's Fall Committee Meetings on Friday, Oct. 22, 2010 at the Washington Court Hotel in Washington, DC.

9. Adjournment

There being no further business, President Ribble thanked everyone for attending and the meeting concluded at 4:30 p.m./pacific time.

Attachments:

- 1)2010-2011 Operating Budget
- 2)RoofPoint Proposal