



The Roofing Industry **ALLIANCE** for Progress

May 23, 2014

Meeting Report  
The Roofing Industry Alliance for Progress  
April 25, 2014  
The Ritz-Carlton, Fort Lauderdale, FL

1. Call to Order and Self-Introductions

A regular meeting of the members of The Roofing Industry Alliance for Progress was held on Friday, April 25, 2014 at The Ritz-Carlton, Fort Lauderdale, FL. The following people were in attendance:

Alliance Board of Trustees

Bob Bechtholdt, Trustee	Josh Kelly, Trustee	James Patterson, Trustee
Will Fort, Trustee	Rhonda Lohmar, Trustee	Bob Seeley, Trustee
Bob Gardiner, Trustee	Jim MacKimm, President	Jeff Willis, Trustee
Reed Gooding, Trustee	Rob McNamara, Vice President	David Workman, Trustee

Alliance Members

Jim Barr	John Geary	Chris Salazar
Greg Bloom	Bill Good	Chris Schmidt
Nelson Braddy	John Kalkreuth	Brynne Smith
Dane Bradford	Rob Kornahrens	Doug Sutter
Valerie Buchanan	Brian LeVoguer	Bob Tafaro
Jay Butch	Steve Little	Rob Therrien
Dennis Conway	Dudley Miles	Dale Tyler
Geoff Craft	Paul Mitchell	Mike Vall
Naomi Dupre	Rod Petrick	Gregg Wallick
Jim Eckstein	Tim Ruff	Bob Wamboldt
Michele Ernst	Lindy Ryan	Gary Wolfe
Jason Flack	Tom Saeli	Joe Zamrzla
Jennifer Ford-Smith		

Guests and Others

Paul Deeley, Albert Heeg Investment Management  
Bennett Judson, The Roofing Industry Alliance for Progress  
Stephen Hayes, speaker  
Mostafa Khattab, Colorado State University  
Jim Kirby, the Center for Environmental Innovation in Roofing  
Jack Krapf, Merrill Lynch  
Duane Musser, NRCA  
Congressman Reid Ribble  
Harry Ryder, NRCA  
Craig Silvertooth, the Center for Environmental Innovation in Roofing  
Esther Woods, The Roofing Industry Alliance for Progress

Alliance President Jim MacKimm called the meeting to order at 8 a.m. eastern time. He began by welcoming all members and thanking them for attending. He extended a special welcome to the newest members of the Alliance: Brian LeVoguer, Roxul Inc., Ontario, Canada; Rod Petrick, Ridgeworth Roofing, Frankfurt, IL; Brynne Smith, Flynn America, Kirkwood, MO and Tom Saeli, Duro-Last, Saginaw, MI. He then asked everyone to introduce themselves and share the current market conditions in their areas and how they see the rest of the year going

2. Minutes from the April, 2013 Alliance Meeting

**Upon a motion duly made, seconded and unanimously carried, the minutes from the April 19, 2013 Alliance Member Meeting in Napa, CA were approved as submitted.**

3. Membership Development Update

Former Alliance President, Rob Therrien welcomed the newest Alliance members in attendance and also recognized two additional members who were unable to attend: Donna Holup, Low-Slope Solutions, St. Petersburg, FL and Dave Tilsen, Tilsen Roofing Co., Madison, WI. Mr. Therrien said there are currently 6-7 contractors across the country that he and others have met with and are currently working on. We want to continue to bring new lifeblood into the Alliance. Enhancing membership enables us to continue funding more projects. He said the Alliance is looking for tier one contractors and manufacturers and asked committee members to share any leads they have that the member development team can contact.

4. Finance and Financial Development Committee Report

Jim MacKimm reported on the highlights from the finance committee meeting held on Thursday, April 24, 2014 since neither co-chair Ken Farrish or Dan Murphy were able to attend the Friday morning meeting.

He directed everyone's attention to the proposed Melvin Kruger Endowed Scholarship and the General Alliance Operating Budgets that were in the meeting notebooks – pages 15 and 16. He noted the following:

Melvin Kruger Endowed Scholarship budget – column D – shows a year-end projection of \$51,500 due to good investment activity for the year. Column F – the \$5,000 for the L.B. Conway Scholarship should be included in the General Endowment budget. And, the finance committee increased the scholarship line item from \$50,000 to \$70,000 with the understanding that the additional \$20,000 can be used for construction management student scholarships.

General Alliance budget – column D – shows a positive year-end projection of \$117,857 and he wanted to point out that the proposed budget (Column F) includes \$25,000 for the Air Retarding Testing proposal that was approved at the April, 2013 meeting but does not include any new project funding proposed at this meeting. The new project funding being recommended by the Alliance Board of Trustees will be presented later in the meeting.

President MacKimm explained that part of the finance committee's responsibility is to determine a funding amount for new project funding. After reviewing the financial reports and proposed budgets, the finance committee recommended a maximum of \$300,000 for new project funding for 2014-2015.

**Upon a motion duly made, seconded and unanimously carried, the 2014-2015 Melvin Kruger Endowed Scholarship and the General Alliance Operating Budgets were approved as submitted with the understanding that they would be revised to include new project funding approved later in this meeting.** (*Copies of the approved budgets including new project funding are included with these minutes.*)

Following President MacKimm's finance committee report, Jack Krapf and Paul Deeley shared their economic outlooks. Highlights from their reports are as follows:

Jack Krapf:

- ▶ Housing Starts improving year over year
- ▶ Multifamily starts declined last month but up 37% year over year
- ▶ Industrial production strong signs of improvement
- ▶ Beige Book points to increased activity
- ▶ GDP growth expectations for first quarter growth 1.5% -2.0%
- ▶ Federal Reserve Chair Janet Yellen remains Dovish
- ▶ Expect correction soon but equity returns up 8%-10% for year.

Paul Deeley:

Most of the new economic information has been somewhat more positive and even in some cases optimistic. The various data points we follow have been modestly improving. The Federal Reserve just completed its first meeting under Ms. Yellen and offered some interesting insights. The tapering process has continued and hopefully further buying of government debt will soon end. The economic forecasts released by the Fed were comforting and continue to support our thesis that the economy is improving, gradually and slowly. This is a continuation of experience over the last five years and reinforces our current asset allocation decisions regarding the respective portfolios. There is considerable slack in the economy, so there is a low risk of a big downdraft. There can be corrections and we should brace ourselves for that but there is unlikely to be a catastrophe. We are not proposing any big portfolio changes. We made some tweaks at year end and during the first quarter to take advantage of new potential, but have not deviated strategically. Our forecast for the year is about 10% gain for equities and an expected rise in interest rates from 3% to 3.5 & by yearend 2014 (based on the 10 year US Treasury). We expect markets to be more rational going forward as the year unfolds and we do not anticipate very strong growth, just continuous improvement with continued slack in employment markets.

##### 5. Alliance Board of Trustees Report

President MacKimm began by thanking the Board of Trustees for all their hard work at their meeting held on Thursday, April 24, 2014. He then reported on the following action items that were **approved**.

- ▶ the 2014-2015 operating budgets for the Melvin Kruger Endowed Scholarship fund and the General Alliance Endowment fund.
- ▶ a total of \$140,000 in project funding which includes two new projects that will be presented later in

the meeting

- ▶ a total of ten Melvin Kruger Endowed Scholarships for the 2014-2015 schoolyear at \$5,000 each – seven renewals and three new.
- ▶ the following slate of officers (for 2014-2015): Rob McNamara, President; Ken Farrish, Vice President (and President for 2015-2016); \*Jim Barr, Barr Roofing, Abilene, TX – new trustee and secretary-treasurer for 2014-15; and the following new trustees (for 2014-2018): \*Jim Barr; Nelson Braddy, King of Texas, Grand Prairie, TX; James Patterson, CentiMark Corporation, Cannonsburg, PA – serving a second term; and Chris Schmidt, USG Securock® Roofing Systems, Chicago, IL.

President MacKimm advised the members that the Board had a discussion on fundraising. With G & A expenses running approximately \$400,000 per year, there is a need to raise additional funds in order to continue being able to fund projects without using investment income. The idea presented was to go back to original Alliance members and ask for a voluntary contributions of 5% of their original commitment amounts. After a lively discussion, it was agreed that a Fundraising Task Force should be appointed and look further at this idea as well as other fundraising options. The following volunteered to be on the task force: Dane Bradford, Dennis Conway, Geoff Craft, Bob Gardiner, Josh Kelly, Jack Krapf, Dudley Miles, Rob Therrien and David Workman. *(The Task Force will hold its first meeting on Wed., July 9, 2014 from 3 to 5 p.m. during NRCA's Midyear meetings in Chicago.)*

President MacKimm reported that the Board approved a request from Mike Vall with Firestone for a “Shippers Forum.” He asked Mr. Vall to come forward and explain the idea directly to the members. Mr. Vall explained that the “Shippers Forum” would be an opportunity for all interested parties to exchange information and look for improvements with issues regarding transportation of roofing materials from manufacturers to the rooftop. The Alliance is simply being asked to sponsor the 2-hour forum at NRCA's Fall Committee Meetings, Firestone would organize and promote it. *(A copy of the proposal is included with the minutes.)*

#### 6. Project/Program Updates

President MacKimm directed Alliance members to their notebooks for written updates on the current Alliance-funded projects. He then introduced Jim Kirby, with the Center for Environmental Innovation in Roofing who gave a final report on the 2013-2014 funding received for RoofPoint. When Mr. Kirby concludes, Mostafa Khattab with Colorado State University reported on the Alliance's Relationship with Schools of Construction Management. *(A copy of Mr. Khattab's power point presentation is available upon request.)*

#### 7. Recommended Funding Requests

Alliance members received copies of all funding requests prior to the meeting. In-person presentations were given for the funding requests that had been approved at the Board meeting. Following the presentations and **upon a motion duly made, seconded and unanimously carried, Alliance members approved funding for the following new projects:**

\$ 25,000 – *Air Retarding Testing (previously approved at the April, 2013 meetings)*

\$ 75,000 – Additional Funding to Continue Developing Relationships with Construction Management Schools

\$ 40,000 – to Update and Republish RoofPoint as a Standard with the ANSI Consensus Process  
*(The Center is to come back with a concrete plan by the July Midyear Meetings.)*

\$140,000 – total project funding

*(Copies of the final, approved budgets including approved project funding are included with the minutes.)*

8. Recognition of Retiring Alliance Board of Trustees and Retiring President Jim MacKimm

President MacKimm formally recognized and thanked the Alliance Board of Trustees who are retiring: Will Fort, Fort Roofing & S/M Works, Sumter, SC; Bob Gardiner, CertainTeed Corporation, Valley Forge, PA; Reed Gooding, GSM Roofing, Ephrata, PA and James Patterson, CentiMark Corporation, Canonsburg, PA.

Incoming President Rob McNamara then formally acknowledged and thanked Jim MacKimm for serving as President of the Alliance this past year.

9. Speakers – Stephen Hayes and Congressman Reid Ribble

After lunch, Alliance members had the pleasure of hearing presentations by Stephen Hayes, a senior writer at The Weekly Standard, a Fox News Contributor and bestseller author. And Congressman Reid Ribble, U.S. Representative for Wisconsin's 8<sup>th</sup> congressional district since 2011 where he is working to make government more accountable and effective from his positions on the Budget, Agriculture and Transportation and Infrastructure Committees.

10. Wrap up and Adjournment

President MacKimm reminded the Alliance members that the next Alliance meeting will be held in conjunction with NRCA's Fall Committee Meetings on Friday, Nov. 14, 2014 at the Park Hyatt in Chicago.

There being no further business, President MacKimm thanked everyone for attending and adjourned the meeting at 3 p.m. eastern time.