



The Roofing Industry **ALLIANCE** for Progress

Nov. 7, 2013

## Meeting Report

Joint Alliance Board of Trustees and Full Roofing Industry Alliance for Progress Meeting

Oct. 24, 2013

8 am – noon

The Washington Court Hotel, Washington, DC

### 1. Call to Order

Alliance President Jim MacKimm 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 asked that everyone introduce themselves.

**Alliance Board Members present:** Bob Bechtholdt, Ken Farrish, Bob Gardiner, Reed Gooding, Rick Jenkins, Scott Kawulok, Josh Kelly, Rhonda Lohmar, Jim MacKimm (Alliance President), Rob McNamara, James Patterson, Bob Seeley, Jeff Willis and David Workman.

**Alliance Board Members absent:** Jim Barr (NRCA VPL), Bob Daly and Will Fort

**Others present:** Paul Deeley, Albert Heeg Investment; Bill Good, NRCA Executive Vice President; Jim Hoff, Center for Environmental Innovation in Roofing (CEIR); Bennett Judson, Alliance Executive Director; Justin Koscher, CEIR; Jack Krapf, Merrill Lynch; Rich Nugent, Nations Roof, guest; Congressman Reid Ribble; Craig Silvertooth, CEIR; and Esther Woods, Alliance Assistant.

**Alliance Members present:** Nelson Braddy, King of Texas; Dane Bradford, Bradford Roof Management; Bill Collins, William Wallace Collins, LLC; Dennis Conway, Commercial Roofing, Inc.; Geoff Craft, Roofing Supply Group; Tom Cummings, Tremco Inc.; Diane Dickinson, Ducker Worldwide; John Geary, Firestone; Jim Giese, Jim Giese Commercial Roofing Inc.; Katie Janness, Ducker Worldwide; Rob Kornahrens, Advance Roofing; Brian Levoguer, Roxul Inc.; Bruce McCrory, Kiker Corp.; Dan Murphy; Thomas Saeli, Duro-Last; and Kyle Thomas, Thomas Roofing;

### 2. April 18, 2013 Minutes

**A motion was made, seconded and unanimously passed to approve the minutes from the April 18, 2013 Alliance Board of Trustees meeting in Napa, CA.**

### 3. Audited Financial Report for Fiscal Period Ended May 31, 2013

President MacKimm reported that the Independent Auditor's Report for the Year Ended May 31, 2013 had been **unanimously approved** prior to the meeting via an electronic vote by the Board of Trustees. It was announced at this meeting in order for the approval to be a matter of record.

4. Finance and Financial Development Committee Report

Ken Farrish, co-chairman of the Alliance Finance and Financial Development committee gave a brief report on the meeting held the previous day. He explained that the Finance committee had reviewed the 9-30-13 financial reports and found everything to be on track. He pointed out that expenses are in line with the year-to-date budget and revenue for the general endowment fund is higher than budget due to two new companies joining the Alliance.

He then directed everyone to pages 8-11 in their notebooks. This is a five-year projection report and summary prepared with investment returns of 4, 6 and 8 percent. This report provides a forecast of what the corpus might look like and the amount of funds potentially available for new projects at these three investment return rates.

Mr. Farrish reported that three funding requests had been submitted to the Finance committee for their review. After discussion, the Finance committee's recommendation to the Alliance Board of Trustees is to not allocate any funding at this time. The Finance committee further recommended that going forward, funding requests will only be considered at the April meeting which is when the annual budget is prepared and funds available for project funding are determined.

There was lengthy discussion about the Helping Our Own Program in general. The Finance committee members acknowledged that there are a large number of people experiencing financial hardships for various reasons. Their understanding of the purpose of the program is to provide funding for catastrophic, life-altering circumstances, such as the horrific Boston Marathon bombings where three roofing workers lost limbs.

Since there are no funds allocated in the current budget, an appeal for contributions would have to be made to Alliance members. The Finance committee felt that asking Alliance members too frequently for donations may have a negative impact. If the Board of Trustees disagrees with the Finance committee's recommendations and decides to move forward, it will be the Board's duty to come up with a plan for the funds.

**After discussion, the Board agreed with the Finance committee's recommendations so there was no action taken.**

Jack Krapf reviewed the investment performance summary for 9-30-13. As of this date, the general endowment fund stands at \$7,844,947.68 and the scholarship balance is \$1,201,785.87. Both portfolios are up for the third quarter.

Mr. Krapf and Mr. Deeley then shared their perspectives on the current fund allocations and economic outlooks. Highlights from both reports were included in the information sent to committee members in advance.

5. Program/Project Updates

President MacKimm directed the Board to the written program/project updates included in Section III of their notebooks and asked if there were any questions. There were none.

In-person reports began with Dennis Conway reporting on behalf of the task force for **Developing Relationships with Construction Management Schools**. Following are task force highlights:

- ▶ it is made up of contractors, manufacturers and department heads from three Universities. The task force met in July, held a conference call in September and will meet in February at the International Roofing Expo in Las Vegas.
- ▶ the goals are to educate/train construction management students on good roofing practices and to make sure they are aware of roofing industry career opportunities
- ▶ expenses this fiscal year will be minimal; the task force does not anticipate using the entire \$70,000 allocated for this program. However, they do anticipate asking that the unused funds be carried over to next fiscal year's budget
- ▶ a working plan was developed that contains three main components: (1) to integrate roofing specific course materials into the existing curriculum; (2) to develop an internship program that will involve roofing contracting, manufacturing and distributing companies (with a stipend of \$1,500/each for 8-10 internships to help cover travel and lodging costs; and (3) to develop scholarships for both faculty (possibly a 3-school scholarship @ \$15,000 next summer for them to jointly develop a plan to get roofing information into core course curricula) and students (a one-time opportunity based on some type of competition such as a class exercise to solve a complex roof problem with a scholarship awarded for the best entry).
- ▶ contractors will be encouraged to work with their local schools; an outline/template is being developed for their use so presentation material and format are consistent.

Jim Hoff gave an update on **RoofPoint**. *[A copy of Mr. Hoff's power point presentation and the RoofPoint handouts are available upon request.]* Following are highlights from his update.

- ▶ Over 430 RoofPoint projects have been registered to date; a number of them are from Alliance members
- ▶ The RoofPoint guideline:
  - credits address all key sustainability issues
  - scoring system is balanced, credible and flexible
  - the simplicity provides a clear contract to the increasing complexity of LEED and other programs
  - durability credits address emerging issue of resilience in construction
- ▶ The new web-based app makes project submissions simple and fast yet detailed and comprehensive
- ▶ Energy and carbon calculator
  - measures energy savings for a RoofPoint roof versus a base case roof
  - converts energy savings into carbon savings
  - covers all six RoofPoint Energy credits
  - download is available at the RoofPoint website
- ▶ RoofPoint Registered Professional (RRP) Program is designed for all roofing professionals; currently has over 30 volunteers participating in a pilot program; all tools are being developed for a market launch in 2014

Katie Janness and Diane Dickenson with Ducker Worldwide reported on their preliminary findings from the feasibility study they conducted to look at **Positioning the Alliance as a Source of Data Collection**. *[A copy of the Ducker power point presentation and handout are available upon request.]* Following are highlights from their report.

- ▶ The roofing industry is one of the most diverse industries in terms of the materials, products and value chain involved. There is a wealth of information however it is fragmented. Most of the statistics available from the product or material-related associations report metrics differently, making it difficult to marry the sources and plan for future changes and shifts.
- ▶ program goals:
  - provide a comprehensive market understanding and baseline review
  - provide a forecasting tool to measure external changes/impact on roofing system/services demand
  - allow for member and nonmember engagement
- ▶ benefits would include:
  - positioning the Alliance as the “go to”/information hub for the roofing industry
  - addressing key challenges that the industry faces to help make more informed decisions
  - allowing the Alliance and its members to be forward looking toward innovative growth opportunities but also have a process to be strategic and intelligent in the way that growth strategies are pursued.
- ▶ the process is a 3-step approach: (1) conduct an internal audit to define data sources and identify associations to target for program buy-in; (2) conduct in-depth telephone interviews with association directors, preliminary member interviews and determine what knowledge gaps exist and how to define/pursue for full program rollout; and (3) program rollout to define final program parameters for implementation; advise the approach and resources needed to fulfill program deliverables

**After discussion, the Board agreed to explore further options with Ducker to conduct a survey among Alliance members to gather additional input, and to submit a proposal to the Board with several next step options and cost estimates so the Board and Alliance members can consider the appropriate commitment levels and price points.**

6. Miscellaneous

President MacKimm returned to the podium and reminded members that there will be an Alliance member reception during the IRE in Las Vegas on Tues., Feb. 25. Details, including the location, will be advised. The dates for the next Alliance meeting are April 24-26, 2014 at The Ritz-Carlton, Fort Lauderdale. He asked members to let him or staff know of any topic or speaker ideas they may have for the April meeting.

7. Adjournment

There being no further business, the meeting concluded at 11 a.m.