



May 20, 2009

Meeting Report

The Roofing Industry Alliance for Progress

April 24-25, 2009

Four Seasons Resort and Club at Las Colinas, Irving, Texas

1. Call to Order/Introductions

Alliance president Bob Bueche called the meeting to order at 7:30 a.m. Welcoming the members in attendance, he asked everyone to introduce themselves.

2. Presentation: The Economic Outlook for the U.S. & the Construction Industry and a look at President Obama's stimulus plan and how it is likely to impact the roofing industry – Dr. William (Bill) Ford. Q & A time will follow presentation.

Following the introductions, President Bueche introduced Prof. William (Bill) Ford who holds the Weatherford chair of Finance at Middle Tennessee State University and is a former CEO of the Federal Reserve Bank of Atlanta. Bill shared his view of “The Economic Outlook for the U.S. and the Construction Industry.” He discussed his perspective of how President Obama’s stimulus plan will impact our industry. *(A copy of Dr. Ford’s power point presentation is available upon request.)*

3. Investment Performance Overview

Jack Krapf reported in depth on the Alliance general endowment and scholarship portfolios as of March 31, 2009.

Historically, the Alliance investment portfolio for the general endowment fund is down -26.64 over the last 12 months; down -13.01 over the last 24 months; and up 1.57 since inception. The ending market value of the portfolio as of March 31, 2009 is \$6,668,999. The total investment return since Mr. Krapf received the funds is \$925,164.

Overall the fund has and continues to outperform the market and the benchmarks and is at less risk. What has helped the fund is its exposure to cash, bonds and alternative investments.

The scholarship funds have only been invested since January, 2008. Therefore, the report as of March 31, 2009 is only for 15 months. The portfolio is down -18.43 for the last 12 months and down -14.61 since inception. The ending market value of the portfolio as of March 31, 2009 is \$331,463. The total investment return is (\$93,537).

Mr. Krapf feels the market will climb in the next 6 to 9 months. After that he has concerns with the new policies the new administration is trying to implement. He will keep a watchful eye on both funds possibly getting out of the stock market or significantly reducing their exposure.

4. Presentation: Climate Change – Opportunity or Obstacle for Industry?

Daniel Emmett is principal and co-founder of Innovo Energy Solutions Group LLC, a private services consulting firm specializing in bringing clean, advanced and renewable power, vehicle and building technologies to market through early market development, regulatory and policy guidance and identification of investment opportunities and funders. Mr. Emmett's particular focus is on the environmental impacts of traditional and emerging technologies and the economic factors and shifting regulatory and political landscapes affecting the markets for these technologies. *(A copy of Mr. Emmett's power point presentation is available upon request.)*

5. Finance and Financial Development Committee Meeting Report

In Chairman Bill Hamlin's absence, President Bueche reported on the developments from their meeting held on Thursday, April 23, 2009. He reported that both their committee and the Alliance Board of Trustees had approved the operating budget for 2009-10 with the understanding that it included

- \$15,000 for the charitable giving program
- \$17,000 for marketing/public relations efforts to gain more exposure for the Alliance
- \$17,000 to fund the Florida Rooftop Solar Proposal being presented by the Center.

He further reported that both their committee and the Alliance Board of Trustees had approved the following changes to the investment policies/asset mix for both the general endowment and scholarship funds (page 17):

- U.S. Equities – change minimum from 40% to 10%
- Fixed Income – change maximum from 50% to 60%
- Alternative Investments – change maximum from 20% to 30%
- Cash or Cash Equivalents – change maximum from 5% to 30%.

(Copies of the revised investment policies are available upon request.)

Harry Ryder, NRCA's Associate Executive Director of Finance, went over the financial reports for period ended March 31, 2009 and the proposed operating budget for 2009-10. After Mr. Ryder's report, **a motion was made, seconded and passed to approve the operating budget for 2009-10 as presented.** *(A copy of the 2009-10 operating budget is attached with the minutes.)*

6. Alliance Board of Trustees Meeting Report

President Bueche reported on the action taken at the Alliance Board of Trustees Meeting held on Thursday, April 23, 2009.

As he noted previously, the Board of Trustees approved the operating budget for 2009-10 and the changes to the investment policies.

The Board of Trustees approved \$17,000 in funding for the Florida Rooftop Solar research proposal submitted by the Center for Environmental Innovation in Roofing, contingent on the Center getting matching funds. Jim Hoff, Research Director for the Center, will present more details on the proposal along with a Center Research Update on Friday morning.

The Board of Trustees approved three awards for the Melvin Kruger Endowed Scholarship program at \$5,000 each and five renewals as part of the former scholarship program (which is being phased out) at \$1,000 each. The three awards for the Melvin Kruger Endowed Scholarship program will be named awards: the Dan Cohen Scholarship, the Firestone Scholarship and the Fred Good Scholarship.

President Bueche stated that in the future, the Alliance Scholarship Committee will be responsible for initially reviewing the scholarship reports from Scholarship America and then making their scholarship recommendations to the Board of Trustees.

The Board approved the new Alliance officers for 2009-10: Reid Ribble, The Ribble Group, president; Geoff Craft, OMG Roofing Products, vice president; and Dan Murphy, secretary/treasurer.

President Bueche advised the membership that a Nominating Committee will be appointed to develop the slate of officers for future recommendations. He asked that anyone interested in serving on this committee or any other committee or task force, let him or staff know.

7. State of the Alliance: Discussion Groups

Vice President, Reid Ribble, gave a brief summary of how the Alliance Branding Task Force came into being, Alliance accomplishments, perceptions and concerns and the steps to be taken to move forward. He explained that an electronic survey had recently been sent out to all Alliance members. A total of 16 responses were received. The survey identified two primary threats: 1)interference from the government and 2)other trades involving themselves in roofing work and challenges. Alliance members were asked to divide up into eight discussion groups and to consider: 1) To what extent do you agree with this and what other threats concern you? and 2) What other challenges do you see for the roofing industry? (*A copy of the discussion group power point summary and questions are available upon request.*)

Recess

The meeting was recessed at 11:30 a.m. on April 24, 2009 and reconvened at 7:30 a.m. on April 25, 2009.

President Bob Bueche opened the meeting by welcoming new Alliance member, John Daly with Kaw Roofing & Sheet Metal Inc., Kansas City, KS. He then announced the winners from Friday's golf tournament. And, he then thanked Nelson and Jaclyn Braddy and Tim and Dee Rainey for hosting the Thursday evening reception and the Friday evening dinner in their homes. Having these events in their homes added a real personal touch to the meetings.

8. Presentation: Current Innovations in Solar Technology in the Roofing Industry – Panelists: Rob Kornharens, Advanced Roofing; Michael Gumm, Corporate Roof Consultants; and David Riley, Penn State. Mr. Riley began the panel presentation by discussing the results of solar contracting case studies; impacts of new solar technologies on solar contracting and the impact on construction education. Mr. Kornharens gave a generic overview of what technology is available on the market today; he discussed highlights of the stimulus package – what it means to the photovoltaic industry and what contractors can do to work through their state energy offices to secure available funding. And, Mr. Gumm discussed codes and standards for photovoltaics and roofing; photovoltaic project finance and roofing and understanding performance based design and installations. (*Copies of all presenters' power point presentations are available upon request.*)

9. Center Research Update

Jim Hoff, Research Director, Center for Environmental Innovation in Roofing began with an update on the Center's research – the opportunities identified, the issues being addressed, and priorities established. He then spent time explaining the Field Performance of PV Roofs: A Critical Research Opportunity – a research proposal that calls for a comprehensive survey of the over 6,000 rooftop solar installations that have been subsidized by the state of Florida over the

past several years. The driving force behind the research is an initial finding by one of the Center's members that many of the roofs were not properly prepared for solar installation, good roofing practices were not followed in many installations and roofing professionals appear to have been excluded from the design process of many of the projects.

After the presentation, **a motion was made, seconded and passed to approve funding in the amount of \$17,000 for Phase One of The Field Performance of PV Roofs: A Critical Research Opportunity.** *(A copy of Mr. Hoff's update and the proposal are attached with the minutes.)*

10. State of the Alliance: Continuation and Wrap-Up

Alliance members were asked to divide up into discussion groups to consider: 1)What projects the Alliance should undertake to address the threats and challenges identified. And, 2)What ideas can you offer to the Alliance to improve our messaging of who we are and what we have accomplished?

The conclusions from the discussion groups conducted on Friday and Saturday will be shared with the Alliance Branding Task Force who will discuss the next steps to be taken.

11. Recognition of Retiring Alliance Board of Trustees

President Bueche formally recognized the Alliance Board of Trustees who are retiring and were in attendance at the Saturday meeting: Jim Giese, Jim Giese Commercial Roofing Inc., Dubuque, IA and Conrad Kawulok, B & M Roofing of Colorado, Inc., Frederick, CO. Mr. Bueche also acknowledged Bill Hamlin Jr., The Hamlin Cos., Garner, NC who is not only a retiring Trustee but also retiring as chairman of the Alliance Finance and Financial Development Committee. He thanked all of them for their service.

12. Recognition of Retiring Alliance President Bob Bueche

Vice president, Reid Ribble, thanked Bob Bueche for his time and effort as president of the Alliance and also for serving as a Trustee.

13. Next Alliance Meeting

The next Alliance meeting will be held in conjunction with NRCA's Fall Committee Meetings on Friday, Oct. 23, 2009 at the Washington Court Hotel in Washington, DC.

14. Adjournment

There being no further business, the meeting concluded at 11:30 a.m.