



The Roofing Industry **ALLIANCE** for Progress

May 6, 2016

Meeting Report
The Roofing Industry Alliance for Progress
April 15, 2016
The Ritz-Carlton Golf Resort, Naples, 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 15, 2016 at The Ritz-Carlton Golf Resort, Naples, FL. The following people were in attendance:

Alliance Board of Trustees

Jim Barr, Secretary-Treasurer	Ken Farrish, President	Rod Petrick, Trustee
Bob Bechtholdt, Trustee	Jim MacKimm, Trustee	Tom Saeli, Trustee
Dane Bradford, Trustee	Paul Mitchell, Trustee	Tom Walker, Trustee
Naomi Dupre, Trustee	James Patterson, Vice President	David Workman, Trustee

Alliance Members

Greg Bloom	Bill Good	Mike McCoy
Marc Cameron	Reed Gooding	Rob McNamara
Dennis Conway	Tim Hanks	Bob Morgan
Jason Dark	Greg Hudson	Craig Rainey
Piers Dormeyer	Michael Johannes	Kyle Thomas
John Embow	John Kalkreuth	Dale Tyler
Michelle Ernst	Rob Kornahrens	Kelly Van Winkle
Jennifer Ford-Smith	Dave Lawlor	Bob Wamboldt
Will Fort	Scott Lelling	
John Geary	Daryl Maronic	

Guests and Others

Mike Breller, Beacon Point Advisors
Paul Deeley, Beacon Point Advisors
Heidi Ellsworth, HJE Consulting Group
Jeff Jarvis, NRCA
Bennett Judson, Alliance Executive Director and recorder
Jim Kirby, Kellen Co.
Jack Krapf, Merrill Lynch
Alison LaValley, NRCA
Jessica Piske, NRCA

Alliance President Ken Farrish called the meeting to order at 8 a.m. Eastern time. He began by welcoming all members and thanking them for attending. He explained attendance was strong, members had several funding requests to consider and that this meeting marks the beginning of the Alliance's 20th anniversary. After more than 20 years of hard work, the Alliance hasn't lost sight of its goals. It is as engaged as ever and continues to work to advance the roofing industry. He explained there would be an opportunity for members to discuss issues they are facing in their individual companies, issues the industry is facing and how the Alliance can have the most impact during the afternoon breakout sessions.

He extended a special welcome to the newest Alliance members who were in attendance: Daryl Maronic, Dataforma, York, Pa.; Marc Cameron, Diamond Roofing, Manhattan, Kans.; Greg Hudson and Mike McCoy, Georgia Pacific, Atlanta, Ga.; John Embow, Grove Roofing, Buffalo, N.Y.; and Bob Morgan, Upstate Roofing, Rochester, N.Y. He then asked everyone to introduce themselves and share the market conditions in their areas. The majority of the reports were that market conditions are favorable, companies were experiencing a busy year to date and some were currently experiencing and/or expecting backlogs in the upcoming months.

2. Minutes from the April, 2015 Alliance Meeting

Upon a motion duly made, seconded and unanimously carried, the minutes from the April 17, 2015 Alliance Member Meeting in San Francisco, CA were approved as submitted.

3. Finance and Financial Development Committee Report

Chairman Jim Barr reported that the Alliance Finance and Financial Development Committee had a very productive meeting. As of March 31, 2015, the general fund stands at \$7,919,836 and the scholarship fund stands at \$1,437,938. Both funds are down from a year ago but did gain in the month of March. The year-to-date forecast is favorable to the current budget. He reminded the Board that they have copies of all Feb. 29, 2016 financial reports and the proposed operating budgets in their notebooks and that Bennett Judson is available to answer any questions they may have.

Mr. Barr further reported that the Finance Committee:

- ▶ approved the 2016-2017 operating budgets for the Melvin Kruger Endowed Scholarship (as presented) and the Alliance General Endowment (with a reduction of \$7,500 in the branding/communications/marketing line item.)

The Melvin Kruger Endowed Scholarship operating budget includes \$50,000 for 10 Melvin Kruger Endowed scholarships (9 renewals and 1 new).

The Alliance General Endowment operating budget includes:

- 3 percent for estimated investment income
- \$133,500 in continued expenses for 1)the Employee Outreach Initiative (MVP Program), 2)Construction Management Schools Initiative, 3)CM Cares Program and 4)funding to continue the process for ANSI Canvassing depending on the status of RoofPoint.
- does not include any new project funding.

- ▶ recommended a maximum spending cap of \$225,000 for new project funding.

He advised everyone that the proposed budgets and Feb. 29, 2016 financial reports were in Section III of the Alliance notebooks.

A motion was made, seconded and passed by Alliance members present to approve the 2016-2017 Melvin Kruger Endowed Scholarship and the General Alliance Operating Budgets as presented and recommended. (*Copies of the approved budgets with new project funding are included with the minutes.*)

4. Investment Performance Overview and Economic Outlook

Following Mr. Barr's report, Jack Krapf and Paul Deeley shared their economic outlooks. Highlights from their reports are as follows:

Jack Krapf:

- Last week the dollar strengthened; oil is trading around \$37, up from \$27 lows; gold is down, yields are rising
- the stock market is in a trading range; we are at the high end of the range; expect a pull back
- notes from FOMC meeting in March expect rate increase two times in 2016
- Expect GDP growth of 1.7% in 2016
- Home Prices up nationally 6.8% YOY
- Global business conditions reversed and are improving for both developed and emerging markets
- ISM Non- Manufacturing rose in March showing service sector remains resilient
- Demand continues to be strong supported by improving labor market
- BIG ISSUE- As employment improves GDP should be improving. Fact that it's not, suggests poor Productivity creating FED concerns of inflation. U3 below 5.0% but U6 still high close to 10%- implies more capacity for labor improvement
- Trade balance continues to widen

Paul Deeley:

- 2015 is in the books. It was anticipated to be a continuation of the previous four years, with steady gradual improvement. Equities were forecast to be modestly positive about 7% gain, interest rates were forecast to increase modestly, improving returns on those investments and returning to more normal fixed income markets. None of that happened.
- The economy did improve, GDP growth was 2.4%, unemployment went down to 5% and housing markets and other metrics improved.
- Equities did not increase, roughly winding up slightly down, especially international allocations, interest rates were flat to down and volatility increased significantly especially late in the year and continuing into 2016.
- 2015 was not a good year for markets and it is reflected in portfolio results. It tells us that the macro factors can be Ok, and that the markets will not always respond.
- First quarter of 2016 has been a repeat of 2015.
- Our expectation for 2016: GDP growth is the 2.5% to 2.8% range, modest improvement over 2015.
- Unemployment is expected to decrease further; recent jobs report reflects progress.
- US consumer and corporate America is on solid footing. The exception is there are still issues in the oil patch.

- Volatility is always an issue when markets are fully valued
- Beyond 2016 there is limited visibility
- Possible return to normalization of interest rates – that would be a good thing and the fed has been talking about increasing rates very cautiously. Ms. Yellen does not want to upset the white house.
- Election coming up: revised tax policies, trade policies, immigration
- All big issues that will play out in 2017 and beyond.
- There are no proposed strategy changes for 2016. We don't see a convincing case to abandon the largely successful investments we have pursued over the last few years; we will continue to monitor top macro and political issues that may affect us in the future.

5. Alliance Board of Trustees Report

President Farrish reported that the following action items were approved by the Board of Trustees at their meeting held Thursday, April 14, 2016.

▶ the two operating budgets as presented in Mr. Barr's earlier report

▶ ten scholarship awards for the 2016-2017 Melvin Kruger Endowed Scholarship program: Nine renewals at \$5,000 each: Brittany Beldon (Firestone Scholarship), Christian Cole (Dan Cohen Scholarship), Jaelyn Harris (2nd Firestone Scholarship), Shoshanna Lee, Josiah Martin, Jonah Mason, Dannelly McKenzie, Ivy Rivas (Fred Good Scholarship) and Adam Stackpole. One new \$5,000 scholarship was awarded to Drury Poston.

▶ a change to the ineligibility wording in the 2017-2018 Melvin Kruger Endowed Scholarship guidelines, to include "students who are dependents, spouses or family members of a CEO, President or owner of an NRCA contractor or supplier member company... are not eligible."

▶ 2016-2017 officers: James Patterson, CentiMark Corporation, President; Tom Saeli, Duro-Last, Vice President (President for 2017-2018) and Jim Barr, Barr Roofing, Secretary-Treasurer. 2016-2020 New Trustees: Bob Daly, Kaw Roofing and Sheet Metal Inc., Kansas City, KS; Josh Kelly, OMG Roofing Products, Agawam, MA; John Massarelli, Beacon Roofing Supply Inc., Peabody, MA; and David Workman, RoofConnect, Sheridan, AR .

A motion was made, seconded and unanimously passed to approve the 2016-2017 slate of officers and new 2016-2020 trustees as presented.

▶ an amendment to the Foundation By-Laws changing the title of the Executive Vice President of NRCA to Chief Executive Officer of NRCA pages: Page 3 – ARTICLE V/Board of Trustees; Section 2. Composition, Tenure and Qualifications and on Page 6 – ARTICLE VII/Executive Vice President.

Upon a motion duly made, seconded and unanimously carried, the by-laws amendment was approved as presented. *(A copy of the amended By-Laws is available upon request.)*

▶ a Helping Our Own request for Elizabeth Zweigel, Melvin Kruger's granddaughter, who experienced an unexpected and unfathomable medical trauma. She miraculously survived septic shock, multiple organ failure and a number of related complications. However, she lost her right hand and her left arm

at the elbow. And, (at the time of the meeting) it looks as though she will lose her feet and some of her legs. A trust fund has been established to help with expenses related to Elizabeth's and her family's care that will not be covered by insurance or other financial assistance. The Finance committee recommended \$10,000 be contributed through the Alliance's Helping Our Own fund.

After discussion, a motion was made, seconded and unanimously approved to contribute \$10,000 through the Alliance's Helping Our Own Program to the Elizabeth Zweigel Health Trust.

6. Recommended Funding Requests

President Farrish reminded Alliance members that there were copies of funding requests in the meeting notebooks, Section IV and on their tables. He reported that the Board approved three new funding requests: \$20,000 total (\$10,000 in 2016-17 and \$10,000 in 2017-18) for National Women in Roofing; \$10,000 to Rebuilding Together for a joint community service project with NRCA and Alliance members and Rebuilding Together affiliates; and \$150,000 for the National Training Program Initiative.

In-person presentations were given for the funding requests that had been approved by the Board and the future study. Following the presentations and **upon motion duly made, seconded and carried, Alliance members approved funding for the following three new projects:**

\$ 10,000 – National Women in Roofing

\$ 10,000 – Rebuilding Together

\$150,000 – National Training Program Initiative (**The Alliance will receive 25% of revenue until the amount funded is recovered and a 10% royalty fee on all revenues received from then on.*)

\$170,000 – total new project funding for 2016-2017

**Note: The agreement for the RAPT funding in 2012 was that the Alliance will receive 25% of revenue generated from product sales until \$100,000 is recovered. Total revenue received to date is \$11,274.63.*

Reed Gooding had presented an Alzheimer's Awareness funding request to the Board at their meeting on Thursday. Although the Board did not approve funding, they did want Reed to have the opportunity to present the information to Alliance members. So, at this point in the meeting Reed shared some startling statistics about Alzheimer's disease and the personal impact it had on his Mother, his Father and his entire family. He asked Alliance members to consider supporting "The Longest Day", on June 20, 2016. "The Longest Day" is a chance to honor caregivers and those with Alzheimer's who have "the longest day" every single day. He encouraged Alliance members to participate by donating just 1 hour of their (and their employees') paychecks to the Alzheimer's Association. Response cards were distributed. The information is also available online at <http://act.alz.org/goto/AnHour4Alz>.

7. Program/Project Updates

President Farrish directed Alliance members to Section V of their meeting notebooks where they would find written status reports for current programs and projects. Several in-person reports were given at this point in the meeting.

► Construction Management Schools Initiative – Mr. Good gave a brief background on why the initiative was started originally. He explained that the Board of Trustees agreed the efforts should continue and approved funds in the budget rather than having the initiative presented as a new funding

request each year. The program/funds will be subject to review, discussion and approval each year as part of the budgeting process. The goal continues to be working to incorporate more roofing-specific materials into the course curriculum, creating general industry awareness with faculty and students and making students aware of potential career opportunities.

► Member Development Report – Dane Bradford reported on the activity in 2015-2016 for the five objectives that had been identified to generate revenue and expand the Alliance’s visibility.

► Planned Giving Program – Dennis Conway reported that the Alliance has a formal Planned Giving program to create a source of long-term support while offering members and industry professionals the tax benefits of deferred giving. An action plan has been developed to reignite interest and execute this long-term initiative. Mr. Conway shared that he had included the Alliance in his estate plan. He explained he wanted to give back to the industry that has given him so much while also helping to transform the future generation of students and leaders long after his own involvement ends. He encouraged all Alliance members to consider making a Planned Giving gift.

► CEIR/RoofPoint Update – Jim Kirby with Kellen Company gave a brief update on CEIR and RoofPoint.

- CEIR is managed by Kellen Company, a full-service association management company.
- Jim Kirby and Shawn Swearingen are the staff responsible for CEIR
- CEIR Executive Committee are Brian Whelan, President, Beth Gloss, Helene Hardy Pierce and Rob Therrien
- there are currently 9 members – 7 manufacturers and 2 contractors
- CEIR activities include: RoofPoint, currently developing RoofPoint 2016; Green Building Initiative, GreenGlobes, CEIR staff is on BGI’s Site Committee; Roof and Wall Thermal Design Guide, IMT, PIMA and CEIR and ICC, submitted code change proposal to mandate 2 layers of rigid board insulation in IECC, Commercial
- RoofPoint Strategic Growth for 2016: create RoofPoint Value; update RoofPoint from 2012 to 2016; have RoofPoint approved as an ANSI standard; RoofPoint 2016 certification can be included in specifications (CSI and manufacturers), GreenGlobes and other rating systems and IgCC as a path to high-performance (as ANSI)
- Updates for RoofPoint 2016: more overtly inclusive of low-slope roof types; more overtly inclusive of all steep-slope systems; adding certification levels; updating insulation requirements; adding LC A, EPD credits and many others

8. Recognition of Retiring Alliance Board of Trustees and President

President Farrish formally recognized and thanked all Board of Trustees who are retiring May 31, 2016: Bob Daly, Josh Kelly, Jim MacKimm and David Workman. Jim was presented with a retiring trustee award. Bob, Josh and David will be serving a second term on the Board.

Incoming President James Patterson then formally acknowledged and thanked Ken Farrish for serving as President of the Alliance this past year.

9. Privacy and Security Breaches in the Construction Industry: Understanding and Prevention

After lunch, Paul Gouge addressed cyber security. Mr. Gouge shared how to identify the most common network security and privacy liability risks facing businesses today; discussed current insurance policy coverages and exclusions associated with these risks and the impact of related federal legislation and explained risk and crisis management techniques to address these risks.

10. Alliance Member Breakout Discussions

In order to help determine the type of future projects Alliance members would like to see the Alliance fund, members were asked to spend 30-45 minutes discussing: the most significant challenges their companies face, the three biggest issues they feel the roofing industry is facing, the top three issues they feel the industry can expect to face, how they feel about the work the Alliance is currently doing and what would they like to see the Alliance focus on in the future.

Members were asked to turn the highlights of their discussions into staff.

11. Wrap up and Adjournment

President Farrish reminded Alliance members that the next Alliance meeting will be held in conjunction with NRCA's Fall Committee Meetings on Thursday, Nov. 17, 2016 at the Park Hyatt Hotel in Chicago.

There being no further business, President Farrish thanked everyone for attending and adjourned the meeting at approx. 4 p.m. Eastern time.

Enclosure - Approved operating budgets for 2016-2017

APPROVED Operating Budget for 2016-17 WITH NEW PROJECT FUNDING

June 1, 2015 thru March 31, 2016

A	B	C	D	E	D
APPROVED Budget Full Year 6/1/15-5/31/16	YTD Actuals 10 Months 6/1/15-3/31/16	YTD Budget 10 Months 6/1/15-3/31/16	April meeting Year-end Projection Full Year 6/1/15-5/31/16	Proposed Budget Full Year 6/1/16-5/31/17	Last Year's Actuals 12 Months 6/01/14-5/31/15
\$ -	\$ 22,768	\$ -	\$ 25,488	\$ 7,720	\$ 3,230
REVENUES					
<i>Scholarship Funding-M. Kruger</i>					
\$ -	\$ 22,768	\$ -	\$ 25,488	\$ 7,720	\$ 3,230
EXPENSES					
<i>Scholarships</i>					
\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
\$ (50,000)	\$ (27,232)	\$ (50,000)	\$ (24,512)	\$ (42,280)	\$ (46,770)
<i>Net Income before investment activity</i>					
\$ 50,000	\$ (55,808)	\$ 37,500	\$ -	\$ 50,000	\$ 134,699
<i>Scholarship investment activity (net)</i>					
\$ -	\$ (83,040)	\$ (12,500)	\$ (24,512)	\$ 7,720	\$ 87,929
<i>Net income(loss)Scholarships</i>					

June 1, 2015 thru March 31, 2016

A	B	C	D	E	D
APPROVED Budget Full Year 6/1/15-5/31/16	YTD Actuals 10 Months 6/1/15-3/31/16	YTD Budget 10 Months 6/1/15-3/31/16	April meeting Year-end Projection Full Year 6/1/15-5/31/16	Proposed Budget Full Year 6/1/16-5/31/17	Last Year's Actuals 12 Months 6/01/14-5/31/15
REVENUES					
Endowment Contributions-committed	\$ 200,700	\$ 154,000	\$ 298,733	\$ 243,733	\$ 173,783
Endowment Contributions-new	\$ -	\$ 45,000	\$ 45,000	\$ -	\$ 52,000
Roof Application Training Program + Other Income	\$ 5,000	\$ 3,750	\$ 5,000	\$ 5,000	\$ 8,073
Total Revenues	\$ 205,700	\$ 157,750	\$ 348,733	\$ 248,733	\$ 233,856
EXPENSES					
L.B. Conway Scholarship	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ -
Helping Our Own Program Initiative	\$ 500	\$ 250	\$ 10,000	\$ -	\$ 454
Wall of Wind Advisory Comm Mfg Expense	\$ 34,120	\$ 25,590	\$ 12,000	\$ 25,500	\$ 7,975
Branding/Communications/Marketing	\$ 10,000	\$ 8,000	\$ 12,000	\$ 24,000	\$ 2,138
Fundraising	\$ 32,500	\$ 32,500	\$ 32,808	\$ 39,750	\$ -
Planned Giving Campaign	\$ -	\$ -	\$ -	\$ -	\$ -
Program/Project Funding-completed 2015-16:					
Bilingual America Latino Workforce Training	\$ 24,000	\$ 24,000	\$ 20,000	\$ -	\$ 1,731
EnergyWise Online Calc 2015 Update	\$ 16,500	\$ 16,500	\$ 16,500	\$ -	\$ -
Program/Project Funding-committed/continued:					
Employee Outreach Initiative (MVP)	\$ 25,000	\$ 25,000	\$ 4,000	\$ 18,500	\$ 6,044
Construction Management Schools Initiative	\$ 80,000	\$ 41,172	\$ 60,000	\$ 95,000	\$ 28,752
CM Cares	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
ANSI Canvassing	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 1,888
Program/Project Funding-NEW:					
National Women in Roofing	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Rebuilding Together - Engagement	\$ -	\$ -	\$ -	\$ 10,000	\$ -
National Training Initiative	\$ -	\$ -	\$ -	\$ 150,000	\$ -
Meetings (incl Alliance reception)	\$ 103,750	\$ 28,750	\$ 103,750	\$ 104,000	\$ 93,328
Administrative Fees to NRCA	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Audit Fee	\$ 15,000	\$ 15,000	\$ 15,200	\$ 16,000	\$ 14,800
Consulting + Investment advisor	\$ 25,000	\$ 17,226	\$ 25,000	\$ 25,000	\$ 17,498
Other Fees	\$ 300	\$ 395	\$ 250	\$ 385	\$ 3,467
Printing	\$ 6,000	\$ 9,917	\$ 4,500	\$ 9,917	\$ 2,209
Bank Fees	\$ 1,500	\$ 934	\$ 1,180	\$ 1,500	\$ 1,448
Postage and Shipping	\$ 5,000	\$ 2,642	\$ 4,000	\$ 5,000	\$ 1,282
Scholarship Administration	\$ 2,500	\$ 2,120	\$ 2,500	\$ 2,500	\$ 2,170
Total Expenses	\$ 606,670	\$ 419,422	\$ 527,796	\$ 758,635	\$ 385,185
Net Income before investment activity	\$ (400,970)	\$ (147,175)	\$ (179,063)	\$ (509,902)	\$ (151,329)
Alliance investment activity (net) 3%	\$ 256,000	\$ (469,238)	\$ 192,000	\$ 236,000	\$ 560,114
Net income(loss)Alliance	\$ (144,970)	\$ (616,413)	\$ (179,063)	\$ (273,902)	\$ 408,784

Narratives for
The Roofing Industry Alliance for Progress 2016-2017 Operating Budget
APPROVED at the April, 2016 Meetings
As of April 21, 2016

INCOME

●Melvin Kruger endowed scholarship funding-ye proj: \$25,488 2016-2017 budget: \$7,720

The YE proj for 2015-16 is the amount received to date. 2016-2017 contributions are based on the actual payment schedules as designated in the commitment letters received from contributors.

●Melvin Kruger Scholarship investment activity (net)-ye proj: \$0 2016-2017 budget: \$42,000

2016-2017 budget is 3% of fund balance - \$1,382,793.72 as of Feb. 29, 2016.

EXPENSE

●Melvin Kruger endowed scholarships ye proj: \$50,000 2016-2017 budget: \$50,000

YE proj is based on actual scholarships awarded for 2015-2016 – 5 renewals and 5 new. For 2016-2017, the proposed budget is for 10 scholarships: 9 renewals (\$45,000) and 1 new (\$5,000). (Note: At the April 2011 meeting, it was approved to allow for a minimum of \$50,000 in each year's scholarship budget.)

INCOME

●endowment contributions-committed ye proj: \$298,733 2016-2017 budget: \$243,733

Both the YE proj and the 2016-2017 contributions are based on the actual payment schedules as designated in the Letters of Intent received from new members.

●endowment contributions-new ye proj: \$35,000 2016-2017 budget: \$0

The YE proj is based on actual new contributions received to date - 1 new member (from 2014-2015 who didn't pay until after June 1, 2015) and 3 new members as of Feb. 29, 2016. There are no new contribution funds included in the 2016-2017 budget. (Note: At the April 19, 2012 meeting it was decided that budgets should not include any estimated income for new Alliance members.)

●Roof Application Training Program ye proj: \$5,000 2016-2017 budget: \$5,000

The 2012 funding request to update 5 of the top-selling RAPT modules stated in the proposal that the Alliance would receive 25 percent of sales revenue until the \$100,000 investment amount has been realized. A total of \$11,274.63 has been received as of 3-31-16.

●Other Income ye proj: \$0 2016-2017 budget: \$0

There is no other income for 2015-2016 or anticipated for 2016-2017 at this time.

●Alliance investment activity (net) 3% ye proj: \$0 2016-2017 budget: \$236,000

2016-2017 budget is 3% of fund balance - \$7,840,629 as of Feb. 29, 2016.

EXPENSES

●L.B. Conway Scholarship ye proj: \$5,000 2016-2017 budget: \$5,000

This scholarship is intended for the winning team of the CM Student Competition. The University of Florida will receive it for 2015-2016. (Note: At the April, 2014 meetings, it was agreed that this expense should come out of the general endowment fund.)

●Helping Our Own Program Initiative ye proj: \$10,000 2016-2017 budget: \$0

Requests for funding are reviewed and processed accordingly on an as-need basis. At the April, 2016 meetings, Alliance members approved \$10,000 in the current budget for the Elizabeth Zweigel Health Trust (Melvin Kruger's granddaughter).

●**Wall of Wind Advisory Comm Mtg Exp** **ye proj: \$0** **2016-2017 budget: \$0**

Estimated costs for M. Graham, NRCA's Technical Director to attend the WoW Advisory Council Meetings. There were none held in 2015-2016 and Mr. Graham does not anticipate attending any in 2016-2017.

●**branding/communications/marketing** **ye proj: \$12,000** **2016-2017 budget: \$25,500**

YE proj is based on actual costs/expenses to date and estimated costs before May 31, 2015 including \$2,500-belly band of June *Professional Roofing* to promote 20th Anniversary. 2016-2017 budget includes 20th Anniversary promotion in addition to general branding/communications/marketing: \$2,000-website, social media updates; \$2,500-update promotional video as needed; \$6,000-paid advertising/possible 2017 IRE sponsorship; \$2,000-article reprints, signs, flyers, etc.; \$4,000-booth in 2017 IRE; \$1,500-Alliance decals for Alliance member exhibitors in 2017 IRE; \$5,000-new printed brochure/promo piece; \$2,500-possible cocktail reception for press and Alliance leadership at 2017 IRE.

●**fundraising** **ye proj: \$12,000** **2016-2017 budget: \$24,000**

YE proj is based on actual costs to date. Next year's budget includes increased promotional efforts and increased travel to prospective companies: \$6,000-expenses for prospective visits (travel, hotel, meals, etc.); \$6,000-reception during Fall meetings for prospective companies; \$8,000-member dev (2 self-mailer mailings to NRCA members; 1 FMO insert); \$4,000-MK scholarship campaign (2 mailings to NRCA members; 1 FMO insert)

●**Planned Giving Campaign** **ye proj: \$32,808** **2016-2017 budget: \$39,750**

In July both the Alliance Finance and Financial Development Committee and the Alliance Board of Trustees approved a total of \$32,500 to work with ADS on a planned giving campaign - \$2,500/organizational assessment and \$30,000/planned giving materials development. YE proj is actual costs incurred for these items. The 2016-2017 proposed budget includes: \$30,000-continued work with ADS on a consulting basis (to help develop and conduct an initial meeting w/PG committee to set goals and direction; to conduct an informational meeting with Alliance members; 12 hours consulting-phone calls, emails, quarterly calls w/PG committee); \$1,750-meeting expense (committee and general Alliance meeting); \$8,000-promotional materials (\$3,000-postcard mailing to members; \$500-FMO insert; \$3,000-brochure/promotional piece; \$1,500-pins, ribbons, etc.)

PROGRAM/PROJECT FUNDING-completed 2015-16:

●**Bilingual America Latino Workforce Training**-**ye proj: 20,000** – **Project is now complete.**

At the April 2014 Alliance meeting, The Alliance approved up to a maximum of \$20,000 to subsidize Alliance companies who participated in Bilingual America's 6-week training program. The 2015-16 YE proj includes the final costs for R. Gonzalez' white paper; his costs to attend/present at the Fall 2015 meeting and to reimburse the companies who participated in the training.

●**EnergyWise Online Calc 2015 Update** **ye proj: \$16,500** -- **Project is now complete.**

At the April 2016 meeting, Alliance members approved funding for updates needed to the EnergyWise Online Calculator. With this update, EnergyWise will be current and relevant through (at least) 2017.

PROGRAM/PROJECT FUNDING-committed/continued:

●**employee outreach initiative (MVP)** **ye proj: \$ 4,000** **2016-2017 budget: \$18,500**

YE proj is less than original budget because there were only 3 winners (the budget was for 10). The 2016-2017 budget is based on 10 winners and includes: \$500-FMO inserts; \$15,000-10 MVP winners expense at 2017 Las Vegas convention (hotel room, airfare, \$100 AmExp gift certificates, etc.); and \$3,000-trophies, plaques and sweatshirts for winners and finalists.

PROGRAM/PROJECT FUNDING-committed/continued:**●Construction Management Schools Initiative** **ye proj: \$50,000** **2016-2017 budget: \$95,000**

Because this initiative (which has strong educational and career potential for the industry) is an ongoing effort to build relationships with construction management schools, it was agreed it should be included in the operational budget as a continuing expense (subject to annual review, discussion and approval) rather than being presented as a formal funding request each year.

YE proj is less than the original budget because there were only three teams involved in the 2015-2016 student competition. (The budget was for four to five teams.) The 2016-2017 budget includes: \$15,000-faculty scholarship/study; \$6,000-faculty expense to attend Alliance meetings; \$3,000-CM meeting expenses (AV, F&B); \$40,000-expenses for five student competition finalist teams to attend 2017 IRE in Las Vegas (travel, hotel, meal gift cards, AV for competition, etc.); \$20,000-faculty internships (\$5,000 to supplement four faculty to intern with roofing contracting companies); \$10,000-proposed CM student scholarships; \$1,000-Alliance staff to attend college fairs with interested Alliance member companies seeking CM student interns.

●CM Cares **ye proj: \$10,000** **2016-2017 budget: \$10,000**

At the July, 2015 Alliance Finance and Financial Development Committee meeting, Mostafa Khattab, Head of the Department of Construction Management at Colorado State University presented a proposal asking the Alliance to be a partner in their "CM Cares" Program. CM students, faculty, staff and industry partners work together on construction-related projects for people with special needs and local community service agencies needing assistance that cannot be provided by other sources. Both the Alliance Finance and Financial Development Committee and the Alliance Board of Trustees approved a total pledge of \$50,000 to support the CM Cares Program as a Silver Sponsor; contribution to be paid \$10,000/annually until May 31, 2020.

●ANSI CANVASSING **ye proj: \$0** **2016-2017 BUDGET: \$10,000**

All paperwork has been filed for the Alliance to become an approved ANSI Canvassing body to update and republish RoofPoint as a Standard in Accordance with the ANSI Consensus Process. This amount is the estimated cost to finish the process. Everything is currently on hold.

PROGRAM/PROJECT FUNDING-NEW:**●National Women in Roofing** **2016-17 budget: \$10,000**

The National Women in Roofing (NWIR) leadership committee respectfully submit a funding request to The Roofing Alliance for Progress to provide founding dollars for the establishment of this national association. Founding dollars will be used for initial start-up costs. The total request is for \$20,000. (\$10,000 in 2016-17 budget and \$10,000 in 2017-18 budget)

●Rebuilding Together – Engagement **2016-17 budget: \$10,000**

Funding was approved for one joint project where Alliance and NRCA members and Rebuilding Together affiliates will work together to provide critically needed roof repairs for low-income homeowners or an organization in need.

●National Training Program Initiative **2016-17 budget: \$150,000**

The Alliance approved funding for part of the start-up costs incurred by NRCA to develop a well-designed, structured, national training program that will help attract and keep workers; will enhance the professionalism of the industry and make for better, more productive workers. A three-year commitment was requested, however, Alliance members approved one year of funding and will review the status at the April 2017 Alliance meeting. *(The Alliance will receive 25 % of revenue until the funds invested are recovered and will receive a 10% royalty on revenue generated thereafter.)*

●meetings **ye proj: \$103,750** **2016-2017 budget: \$104,000**

YE proj – \$103,750 is based on actual costs to date plus estimated April 2016 meeting costs not yet incurred. April meeting estimate is \$75,000--\$8,750++/speaker fees/exp; \$60, 250/est. F&B, \$6,000/est. AV. The cost of the Alliance reception at the 2016 IRE was \$19,930.66 – we had 50 more people than last year so F&B cost was higher. The 2016-2017 budget includes: \$1,000/conference calls/misc. meeting exp.; \$23,000/Alliance reception at 2017 IRE; \$80,000/April 2017 Alliance meeting (\$65,000-hotel; \$15,000-speaker).

● **administrative fees to NRCA** **ye proj: \$200,000** **2016-2017 budget: \$200,000**

This is the Alliance's annual administrative fee paid to NRCA. It includes a percentage of staff salaries, rent, utilities, office equipment and services.

● **audit fee** **ye proj: \$15,200** **2016-2017 budget: \$16,000**

Estimated audit expense for 2016-2017 is based on a slight increase from this year's actual.

● **consulting & investment advisor** **ye proj: \$17,226** **2016-2017 budget: \$25,000**

Beacon Pointe Investment Management fee. The YE proj for 2015-2016 is the total actual for this year. \$25,000 is the estimated fee for 2016-17.

● **other fees** **ye proj: \$385** **2016-2017 budget: \$385**

The YE proj and 2015-2016 budget includes the annual membership fee for Association of Fundraising Professionals.

● **printing** **ye proj: \$9,916** **2016-2017 budget: \$6,500**

Costs this year were higher than budgeted due to ordering a larger quantity of notecards, envelopes (both letter-size and 9x12s) than was budgeted due to increased fundraising mailings. The 2016-17 budget includes \$250-business cards for Alliance leadership; \$5,000 (envelopes); \$1,250-retiring trustee plaques.

● **bank fees** **ye proj: \$1,500** **2016-2017 budget: \$1,500**

Misc. bank fees and credit card charges.

● **postage and shipping** **ye proj: \$5,000** **2016-2017 budget: \$5,000**

The YE proj includes actual costs to date plus estimated postage for mailings/shipping associated with the April meeting before May 31, 2016. The \$5,000 budgeted for 2016-17 is for the same anticipated postage/shipping expenses.

● **scholarship administration** **ye proj: \$2,500** **2016-2017 budget: \$2,500**

Scholarship America's application processing fees.

Committed Program/Project Funding for 2016-2017:

- ▶ \$18,500 budgeted for Employee Outreach Initiative (MVP Program)
- ▶ \$95,000 budgeted for Construction Management Schools Initiative
- ▶ \$10,000 CM Cares (a total of \$50,000 was approved - \$10,000/year for 5 years until May 31, 2020)
- ▶ \$10,000 ANSI Canvassing

\$133,500 total committed program/project funding

New Project Funding Approved for 2016-2017:

- ▶ \$10,000 National Women in Roofing (\$10,000 in 2016-17; \$10,000 in 2017-18)
- ▶ \$10,000 Rebuilding Together
- ▶ \$150,000 National Roofing Training Initiative (*to be reviewed after first year; 25% of revenue to Alliance until investment has been recovered; 10% of revenue/royalty after that*)

\$170,000 total NEW project funding

\$303,500 total committed and new program/project funding for 2016-17.