



Wisconsin Roofing Contractors Association

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Golf Outing – 2008

Thanks to everyone who made the 2008 golf outing another success!

The event, which was held July 16, 2008 at the Golf Club at Camelot (Lomira) was attended by more than 80 people. Despite the afternoon rain, a good time was had by all.



The winners (based on 9 holes) were:

Low Gross - 34

Rick Leitel
Steve Maier
Fred Petersen
Greg Petersen

High Gross - 47

Dave Covens
Bill Runyan
Dennis Verbie
Toby Whipple

In addition, a random foursome was selected for a prize. Half of our field turned in the pink ball that they played, making them eligible for a special prize drawing. The big winners in the 50/50 raffle were Greg Petersen and Steve Maier.

Flag event winners were Fred Petersen, Bob Fedder, George Fedder, Greg Petersen, Dave Tilsen, and Eric Kirner.

Thank you to our golfers, our event sponsors, and those companies and individuals that donated door prizes. A special thanks to HNI Risk Services, which sponsored a hole-in-one contest. It's hard to believe, but nobody from our group collected the prize.

Golf Outing Sponsors

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Upcoming Meetings – Mark Your Calendars!

Our meetings for the balance of 2008 are taking shape. Please note that all dates are tentative at this point. Watch for meeting notices to confirm the dates, times, and locations of our meetings....

On September 17, Brian Krimpelbein (HNI Risk Services) will be addressing the latest on transportation of asbestos. Brian will also provide us with an update on insurance matters. Rob McNamara will provide us with an update on the NRCA, and Attorney David Turiciano will be with us to talk about contracts and collections. For November 12, we have asked for one of the Milwaukee area radio/TV personalities - Charlie Sykes, Jeff Wagner, or Mike Gousha - to talk with our group about the implications of the 2008 elections.

Meeting Summaries

On January 30, WRCA welcomed Mark Graham (NRCA) to do a presentation on codes and ES-1. Mark also provided the latest on FM 1-29.

On March 19, Rene Dupuis (Structural Research, Inc.) was with us to provide us with his insights on the latest in the roofing

industry. Rene talked briefly about the changes to the commercial building code in Wisconsin.

On May 14, we heard from the Department of Commerce, which provided us with greater detail regarding the changes in the building code specifically affecting the roofing industry.

Welcome New Members!

WRCA is pleased to welcome Wenger Construction (Campbellsport) as a new contractor member of the Association. John Wenger is President/Secretary and Laurie Wenger is Vice President/Treasurer.

IRS Releases New Mileage Rates

The Internal Revenue Service has announced an increase in the business mileage rate for miles after July 1, 2008. The mileage rate is used when calculating reimbursement rates and deductible costs associated with using an automobile for business, charitable, medical or moving purposes. The standard mileage rates for the use of a car, van, pickup or panel truck from January 1 through June 30 was \$0.505 cents per mile for business miles driven. Effective July 1, 2008, the rate was increased by \$0.08 per mile to \$0.585 for business use.

The standard mileage rate will be 19 cents per mile driven for medical or moving purposes and 14 cents per mile driven in service to a charitable organization. The charitable rate is unchanged as that rate is set by statute.



WRCA Christmas Party

The WRCA Christmas Party will be held on Saturday, December 6 at the Hilton Hotel in Milwaukee.

The Christmas Party will be similar to previous years, but we're always working to add a few new wrinkles to the event. More details as the event draws nearer.

One thing that is important to remember is that the deadline for making a room reservation (assuring you of availability and the WRCA rate) is November 6. You can make your reservation by calling (414) 271-7250 or online at

www.hilton.com/en/hi/groups/personalized/MKEMHHF-WHP-20081206/index.jhtml#hotel.

Sponsorship opportunities will be available, so plan now to participate. More information on sponsorships opportunities will be available in early October.

Safety News

OSHA has issued its "Top Ten" for its last fiscal year. Several of the top violations have a direct relationship to the roofing industry. Leading the pack was the failure to use fall protection in residential construction more than six feet above the ground (2,043 violations). Right behind was the failure to provide fall protection when working around unprotected sides and edges (1,889 violations). Also frequently cited were head protection, fall protection on scaffolds, failure

to tie off in an aerial lift, lack of fall hazard recognition training, ladders not extending three feet above the landing surface, scaffold access, improper construction of scaffolds, and scaffold training.

Fall protection remains a priority for OSHA, and with the rash of crane-related fatalities, cranes are also getting greater emphasis these days. The potential for policy changes in Washington after the fall elections also suggest that OSHA will become more aggressive. Congress is in the process now of investigating OSHA and its performance over the past several years. That report may serve as the foundation for increased enforcement efforts in the months and years ahead.

For help with safety issues, contact the WRCA office or one of our associate members who provide safety and loss control services.

WC Rates

New rates for WC policies renewing after October 1, 2008 should be released any day. When the rates are known, WRCA will send you this information. Stay tuned....

Prevailing Wage Rates

The state's prevailing wage rate surveys were due back on Thursday, July 31. The surveys are used to determine the prevailing wage rate – the wage/benefit package paid to each trade in each county for public-sector contracts. The preliminary rates will come out in a month or so and those rates are then finalized and released in December, with an effective date of January 1. For information about the prevailing wage rates in each county, go to:

<http://www.dwd.state.wi.us/pwfnl/PwfnlList.asp>. Select the county you are working in and hit enter. You can find roofers listed under classification #133 (roofer or waterproofer).

DHS Asbestos Rule

The Department of Health Services (formerly DHFS) recently held a hearing on proposed changes to HFS 159, the administrative rule that governs, among other things, the training of roofers who are working on projects where there is (or may be) asbestos containing materials being removed from the roof.

WRCA provided written testimony on the rule, noting that clarification was overdue and that training investments made to date need to be protected. More than that, we noted that the rule needed to be enforced if it was to create a difference in the marketplace rather than further burden legitimate contractors who are already struggling to compete with “contractors” that choose to ignore the registration and training requirements.

In the meantime, the current rules requiring training remain in effect. WRCA has two Associate Members that can help with your training needs – Good Armstrong Training & Consultation (www.goodarmstrong.com) and Milwaukee Lead & Asbestos Information Center (www.mlaic.com). Both offer discounts to WRCA members.



Legislative Report – News from the Capitol

The legislative session has ended for the year and the election season is getting into full swing (see below). For the session, there were 1,544 bills introduced (573 Senate bills and 971 Assembly bills), down from 1,967 bills introduced last session.

There were 225 bills signed into law, one vetoed, and three partially vetoed. In the

last session, there were 47 bills vetoed. The lower number of vetoes reflects the change in control in the Senate that took place in January 2007, as Republicans were unable to advance partisan bills in that chamber. Three bills were passed in Special Sessions (legislation affecting the Government Accountability Board, the Great Lakes Compact, and Budget Repair).

During this summer, there has been an ongoing discussion about the use of separate prime bids on state projects. Although traditionally limited to the mechanical trades, the state statutes allow for all sub bids to be made directly to the state. The UW system and others would like to eliminate the practice of subs bidding directly to the state. As the parties discuss this further, the interests of WRCA are being represented, as any change in the bidding laws must be fair, equitable, and transparent, with protections built into the system to prevent adverse bidding conditions – bid shopping, excessive retainage, slow pay, transfer of risk, etc.

And speaking of the transfer of risk, a coalition of subcontractor groups is beginning to discuss possible solutions to the risk transfer issue. The transfer of risk through hold harmless, indemnification and additional insured clauses can create liability for roofing and other subcontractors that is disproportionate to their responsibility for a jobsite loss. More than that, the transfer of risk circumvents Worker’s Compensation laws which were created as “no fault” systems for employees in exchange for “exclusive remedy” (liability protection) for employers.

Legislative Departures

Come November, all of the State Assembly seats and half of the State Senate seats will be contested. Six Assembly Republicans and four Assembly Democrats have announced that they will not seek reelection. A fifth Assembly Democrat is not seeking reelection to the Assembly but is campaigning for a seat in the State Senate. One Senate Republican and one Senate Democrat have indicated they will not seek reelection this fall.

Of particular note was the announcement that Assembly Minority Leader Jim Kreuser was leaving to become the Kenosha County Executive. If Democrats were to win the Assembly in the fall, Kreuser was in line to become Speaker, arguably the most powerful position in the legislature. Several names are beginning to emerge among Democrats that may vie for the Speaker's position, including the Milwaukee area's Jon Richards and Pedro Colon and the Janesville area's Mike Sheridan.

Commerce Secretary Resigns

Jack Fischer, who had served as Commerce Secretary for less than a year, resigned in mid-July amidst controversy over expenses he incurred on trips he had made on behalf of the State and based on an oftentimes unfavorable opinion of his work while leading Wisconsin trade delegations. A successor has not yet been named to the position which oversees the Safety & Buildings Division, the principle regulatory agency for the construction industry.

Election Themes

Twice a year, St. Norbert's College does a survey to ask Wisconsinites about the biggest problems facing Wisconsin. It was no surprise that taxes and the budget topped the list with 33 percent of people selecting it as their top issue. The economy and jobs was next with 21 percent selecting it as their top issue.

Other issues are dwarfed by taxes and the economy, being named at most by 6 or 7 percent of the people surveyed. At various times in the past, welfare, crime/drugs, and education were identified as the most important issue by 20 percent or more of the people surveyed.

The survey is fuel for the campaign fires. Republicans will continue to point out that absent their efforts, the tax climate and the economy would have worsened. Democrats will look to their work across a range of issues – education, health care, the environment, welfare, and ethics – and make their case that absent their efforts, these programs would have been eroded.

If you listen closely, you'll hear plenty of agreement on the issues identified in the survey. Both parties want lower taxes, health insurance for everyone, and a clean environment. The disagreement comes in need for and the implementation of government policies to address those issues – and there's plenty of disagreement to distinguish the candidates and their parties from one another.

National Elections

A lot can change in a few days, so it's difficult to write on the national political scene. A look at the trends suggests the following....

Recent national polling (7/10/08) suggests that it will be another close Electoral College race. Barack Obama is leading in states that will "safely" or "likely" deliver 200 Electoral College votes, while John McCain is leading in states that will "safely" or "likely" deliver 168 Electoral College Votes.

When states that "lean" Democratic (Wisconsin) or "lean" Republican are included in the polling, Barack Obama leads McCain by 293-227. Two states are considered "toss-up" states – Nevada and Virginia. It takes 270 Electoral College votes to win the election, so based on current polling data, their falling in one column or another would not affect the election outcome.

There are currently four states that went to George W. Bush in 2004 that are leaning Democratic – Colorado, Iowa, New Mexico, and Ohio. That is where McCain must spend his time in the weeks ahead. If he can secure those states, he would still need either Nevada or Virginia to win the election. Both states went to George W. Bush in 2004. If McCain manages to win the Electoral College, look for the potential for Obama to win the national popular vote by several percentage points as he is very strong in heavily urbanized states with large populations such as California, New York, Illinois, New Jersey and, to a lesser extent, states such as Michigan and Pennsylvania.

As for Congress, the elections will be affected by the expected strong turnout. That turnout probably means further gains

for Democrats. Another “tidal wave” such as the one in 2006 is considered unlikely for two reasons. Many of the swing seats already flipped to the Democrats and there is some dissatisfaction with the Democratic-controlled Congress. The big prize for the Democrats would be to pick up enough Senate seats to be able to avoid the filibustering of bills in that chamber. The big concern for Democrats is that in furthering their majorities, a rift between the conservative and liberal wings of the party make it difficult to use the power they have won. If that’s the case, expect Republican gains in Congress beginning as early as 2010.

Get Involved!

NOW is a great time to get involved in the political process. Candidates are interested in learning more about the issues that are affecting their districts and it’s up to each of you to put and keep our industry on the legislature’s radar. Believe what you will about big money in Madison, but there is still nothing more powerful than a call from a respected constituent when it comes to influencing a legislator.

Our industry is made up of small businesses for the most part. Most are localized in their service area. Most hire employees from that service area. These are all great points to bring up, but many other industries can claim the same things.

You cannot join an association like WRCA to *avoid* politics and government. You join an association like WRCA precisely because you *cannot avoid* politics and government. We are strongest when everyone participates in the process and we encourage you to do your part. For help setting up an appointment with a candidate in your area or for information about the association and the issues we are interested in, contact the WRCA office.

Membership

Every association is interested in expanding its membership base, and WRCA is no different. We thank you for your membership and encourage you to invite others – both

contractors and suppliers – to become members too. It costs you nothing to ask and with each new member that joins, the value of your own membership is increased.

Imagine if every new member got just one new member in the next year. Could we do more for you with the additional financial resources? Could we do more for you in our working with state and local government? Could we introduce you to more vendors or contractors who may have the experience or the product/service to meet one of your business needs?

We’ll provide you with the letters, information, and applications you need, we just need your help making the membership request.

Congratulations

To Rene Dupuis, who received NRCA’s and the industry’s highest honor, the J.A. Piper Award, for constant, outstanding service to NRCA and the roofing industry.



News from NRCA

It looks like the Department of Homeland Security will not appeal the temporary injunction against its “no match” rules, effectively ending this chapter of the immigration story. Look for this to pick up again next year when the Department proposes rewritten rules.

The 2009 International Roofing Expo will be held February 3-5, 2009 in Las Vegas.

In June, President Bush issued an Executive Order that effectively required all federal contractors to use the E-Verify employment verification system. Find more at:

http://www.dhs.gov/xprevprot/programs/gc_1185221678150.shtm). The rules apply to all new hires, regardless of whether they work under the contract and to all existing employees who will perform work under the contract.

NRCA and the National Roofing Legal Resource Center have released guidance on roofing material price increases. Increased oil prices have affected materials and the transportation of those materials. The NRCA and NLRC are suggesting the inclusion of material escalation clauses in contracts and have drafted sample language for inclusion in contracts. For more information, contact the WRCA office.

A recent U.S. Court of Appeals case allowed a subcontractor to raise prices by including language that the price provided was for "information only" and that the price quote "should not be relied on." Closer to home, several WRCA members were quoted in an article by *The Daily Reporter* on material price increases in the roofing industry. See the WRCA website for a copy of the article (www.wrcaonline.org).



Legal

Employers covered under the Family & Medical Leave Act need to update their policies to comply with changes in the law that extended protections to families of U.S. Armed Forces members. Families are allowed leave if a family member is called to active duty or if a family member is wounded or a family member being treated. Posters regarding the change and the FMLA can be found at: [http://www.dol.gov/esa/whd/fmla/NDAAAmndmnts.pdf/](http://www.dol.gov/esa/whd/fmla/NDAAAmndmnts.pdf). In addition, employers should review their FMLA policies for additional changes that may be necessitated by Department of Labor proposed regulations issued earlier this year. For more information about these and other employment policies, contact the WRCA office.



The Economy

Much is being made about the state of affairs in our state and national economy. But are things as bad as we hear?

According to the Department of Workforce Development, the State unemployment rate for May was up slightly from April but down half a point from a year ago, with more than 15,000 more jobs this year compared to a year ago.

The Department of Revenue reports that tax revenue for the first ten months of this fiscal year is 2.4 percent higher than last year. All categories of tax revenue are up for the year except for corporate and franchise income taxes.

Using a definition of two consecutive quarters of negative growth, the economy is not in a recession. In fact, the economy has grown, albeit very, very slowly.

The construction industry has been harder hit by material and labor price increases than the consumers as a whole. The consumer price index is up 16 percent from January 2004 through the end of 2007, but the construction price index is up by 32 percent for nonresidential construction and 25 percent for residential construction.

Home prices in Wisconsin have flattened considerably, but many markets continue to report increases in the value of existing homes. Nationally, some markets are down by 25 percent or more.

The federal government's pension, Social Security, and Medicare obligations now top \$52.7 trillion, up from \$20.4 trillion in 2000. Federal obligations are now at more than 90 percent of the combined net worth of all

households, or \$455,000 per household. Unabated, by 2040, balancing the budget will require that tax rates be doubled or that spending be slashed by 60 percent.

Including food and fuel, the CPI for the last six months is increasing at an annual rate of more than 12 percent.



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Contact Us

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