



The Roofing Industry **ALLIANCE** for Progress

November 13, 2009

Meeting Report

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

Oct. 23, 2009

8 - 10 am

Washington Court Hotel, Washington, DC

1. Call to Order

President Reid Ribble called the meeting to order at 8 a.m. He asked that everyone introduce themselves.

Members present: Vic Anthony, Nelson Braddy, NRCA VPL, Dane Bradford, Dennis Conway, Geoff Craft, vice president, Molly Kwiatkowski, Jim MacKimm, Bruce McCrory, Rob McNamara, Reid Ribble, Rob Therrien and *Bob Delaney (attending for Michael Vall).

Bill Good, NRCA Executive Vice President, Bennett Judson, Executive Director and recorder, Jack Krapf, Merrill Lynch, and Harry Ryder, NRCA Associate Executive Director of Finance.

Others: Because this was a joint meeting of the Board of Trustees and Alliance members, there were approximately 30 Alliance members present in addition to the Board.

Members absent: Chip Martin, Dan Murphy, Bill Taylor, *Michael Vall and Gary Wolfe.

After the self-introductions, President Ribble reviewed the Alliance mission statement, “The Roofing Industry Alliance for Progress establishes a Forum for roofing contractors, manufacturers and suppliers to collectively provide for the selection, funding and oversight of programs and projects that contribute to the continual improvement of the roofing industry.”

2. Minutes Approved

A motion was made, seconded and passed to approve the minutes from the April 23, 2009 Alliance Board of Trustees meeting in Irving, Texas.

3. Audited Financial Report for Fiscal Year Ended May 31, 2009

President Ribble reported that each Trustee had received a copy of the Independent Auditor’s Report for the Year Ended May 31, 2009 (which had been approved by the Alliance Finance and Financial Development Committee at their July 9, 2009 meeting) and that it had been **approved via written response forms received from the Trustees.**

4. Financial Reports

Vic Anthony gave a brief report on the Alliance Finance and Financial Development Committee meeting held the previous day. Mr. Anthony reported two key points from the meeting: 1) the financial reports as of September 30, 2009 are on target and 2) the committee recognizes the need to grow membership in the Alliance. The current endowment funds are not enough in order for the Alliance to continue funding the type of projects the members want to fund. We need to increase membership, thus increasing the endowment fund.

Mr. Krapf then gave an overview of the Alliance endowment and the scholarship portfolios as of September 30, 2009.

The initial value of the *endowment* fund as of March, 2002 was \$5,833,835. The value as of September, 2009 was \$8,346,326 – a net gain of \$2,512,491 since inception. There is an issue with underperformance by one of the managers, Small Cap Growth, over the last 6 to 9 months. Mr. Krapf will need to decide whether or not to add more money to the fund or to fire him.

The initial value of the *scholarship* fund as of October, 2007 was \$375,015.51. Additional funds were added June, 2009. The value as of September 30, 2009 is \$752,508.07. The net loss to the fund as of September 30, 2009 is \$29,749.12.

Mr. Krapf then shared his thoughts and potential actions with the committee.

- ▶ He believes the market will rally and continue through early spring, 2010.
- ▶ He thought by this meeting we would have a clearer picture of potential tax increases.
- ▶ The Bush tax cuts will go away in 2011.
- ▶ Mr. Krapf's guess is that current leadership will implement higher taxes for both corporations and individuals.
- ▶ He has a great deal of concern starting the end of 2010 through possibly 2015.
- ▶ Mr. Krapf may reallocate the portfolio significantly in early spring, 2010 based on policies that may be implemented. He will potentially reduce equity exposure, raise cash and take advantage of other opportunities.

Mr. Anthony then presented the finance committee's recommendation that the Board of Trustees approve the funding request for Roofing Asphalt Fumes Research. **A motion was made, seconded and approved that the Alliance contribute a total of \$53,700 (\$17,900 per year for a three-year period) to the proposed research program which is intended to clarify the results of the recently completed AREC Dermal Cancer Assay of Type IV BUR Asphalt Fumes.** (*A copy of the proposal is available upon request.*)

Mr. Anthony then presented the finance committee's second recommended that revisions be made to the endowment and scholarship investment policy guidelines (as proposed by Mr. Krapf) on page 17 under Asset Mix. **It was moved, seconded and approved to change the U.S. Equities maximum from 80% to 50% and to delete the wording, "of the account's equity allocation" under International Equities.** (*Copies of both revised investment policies are available upon request.*)

5. Committee/Task Force Reports and Program/Project Updates

President Ribble spent a few minutes going over the program/project updates that were included in the notebooks.

Mr. Craft reported that the Communications and Marketing Task Force had met in September. Their first action item was to create a new logo – which is being used on the October meeting materials. The next step is to develop a quality, marketing piece which can be used to share the Alliance story with prospective companies. The second focus is to make sure current Alliance members are aware of everything the Alliance has been and continues to do – the Alliance has spent over \$2.4 million in project funding since its inception.

Tim Rainey, chairman of the Most Valuable Player (MVP) Task Force reported that entries for the 2009-2010 program were coming in slowly and encouraged the Alliance members in the room to submit entries and/or to encourage their customers to participate in the program.

A suggestion was made to open the program up to suppliers and distributors who may have factory workers they would like to nominate. The suggestion will be brought to the MVP Task Force for their consideration and possible implementation in next year's program.

6. Miscellaneous

Staff reminded members present that an Alliance member reception will be held during NRCA's convention in New Orleans on Sunday, Feb. 21, 2010 from 6:30 to 8 pm at the New Orleans Marriott (555 Canal Street). Formal invitations will be sent out.

Staff then reminded everyone that the dates for the April Alliance meeting are April 15-17, 2010. The meeting will be at the Four Seasons Resort Aviara, Carlsbad, CA. The meeting format has been revised (in response to recommendations from the April, 2009 breakout discussions). The program will begin with a member reception on Thursday evening, April 15; there will be an all-day Alliance meeting on Friday, April 16; and for those wishing to stay over, staff will assist with securing golf tee times on Saturday, April 17.

President Ribble encouraged everyone present to plan to attend the April, 2010 Alliance meeting. He reminded everyone how memorable the April, 2009 meeting had been – due to the fact that Alliance members Nelson Braddy and Tim Rainey hosted receptions and dinners in their homes. He encouraged anyone willing to co-host a reception or dinner at the April, 2010 meeting, to let him or Mr. Craft know.

7. Other Business

President Ribble extended a special welcome to Mr. Jay Butch and Mr. Bob Gardiner with Certainteed and thanked them for attending the meeting.

He advised the members that he plans to appoint a Project Task Force whose goals will be to increase membership, raise more money and to seek projects. Any member wishing to be a part of this task force is to contact President Ribble or Mr. Craft.

President Ribble then asked for members' input on whether or not to continue to adjust for the CPI in the financial reports. Several members expressed the need for the Alliance to be doing more/spending more – if the Alliance invests in worthy projects, new members will be attracted and more funds will be generated. Other members present expressed the strong need to keep the endowment fund intact. The Alliance fund is for the long-term, strong fiduciary commitment is key. After hearing the differing responses, President Ribble felt it would be best to defer the discussion until the April, 2010 Alliance meeting.

President Ribble brought up the fact that several Alliance members had experienced damage as a result of the flooding that had occurred in the Atlanta, Georgia area. This sparked discussion among the members that the Alliance should reach out to these members and their employees.

Mr. Anthony reported that NRCA's Community Service and Disaster Relief Committee was going to contact NRCA members in the Atlanta area to see who had experienced damage and then to determine how the committee and NRCA's membership might best be able to respond.

A motion was made, seconded and approved for the Alliance to match any funds disbursed by NRCA's Community Service and Disaster Relief committee for this effort in the flood-damaged area of Atlanta.

President Ribble advised the Trustees that a position on the Board had opened up and that Alliance leadership was recommending Nick Shears be approved to fill the vacancy. **Upon motion made, seconded and passed, Mr. Nick Shears with Carlisle was approved to serve a three-year term on the Alliance Board of Trustees, effective immediately.**

8. Adjournment

There being no further business, President Ribble adjourned the meeting at 9:30 a.m.