

# SREA NEWS BULLETIN

STRUCTURAL ROOF ERECTORS ASSOCIATION NEWSLETTER



March 2013, Volume 11, Issue 1

## President's Message

BY GREG BOYD II

Well, it has been another quick year. Time really flies as we get older. It goes by quickly, and we need not waste it. This applies to our business as well as our personal lives. This can be a catch 22; need to work to make the money to provide the high standard of living we desire to give our loved ones, and higher education for our children. Then, there are trips and stuff we want our families to enjoy. Then, you need the time to enjoy them. In the near past as our industry (and the country's) work lessened and almost vanished, hopefully you were able to take advantage of the down-time to do some of those things you have put off because of work. Now for some of us, times are changing and we are seeing that increase in work that we have been waiting for. Be careful not to let the work consume you. I have been lucky to spend time with many members listening to stories of their kids and their businesses, and in my opinion, SREA members are the American Classic, salt of the Earth, the backbone of our society. Many run small and medium companies that are 30-40 years old in some cases. Our companies are like families. We take care of each other whether you're the president of the company or the 50% apprentice who wants a company job



with its security and its advancement possibilities.

I have been in this industry my whole life starting off as a 17-year-old apprentice to running La 'au Structures for the last 24 years; not actually a big jump! I was always of the opinion that the roof structures guys were the coolest guys on the job; we were up in the air, above everybody else walking around on Glulam's (pre-OSHA era). I feel lucky to be a part of this organization. The members of this organization are the cream of the crop, and my being included in this group has been an educational enlightenment into our profession. I also learned how to drink, you know, the good stuff.

A very interesting group! We have guys who fly airplanes to meetings, guys who cruise around the Puget Sound in their yachts, guys who play money golf with legends of the PGA tour, some of the best unknown comics in the country, and guys who live in exotic locales ... like Phoenix. Many things were accomplished this last year, all started during someone else's tenure as president and accomplished as a group. The SREA works.

Not sure if I really said anything here, or just rambled, but looking up at this mess, I would say, "Greg you're Bi-Polar, HDAD, ACDC... something..." Let's see if I can finish this with some lucid and informative information.

I believe there are some important things we can do for our industry and this organization:

- 1) Get the Hybrid Roof Structures Video that we just completed out there! Use this tool.
- 2) We need to continue with updating the web site which your next President Richard Holmgren has been working on diligently.
- 3) Continue to look for new members to grow this organization, especially in the Supplier and Associate member categories.
- 4) I also believe we need to get a Factory Mutual assembly approved; maybe this can be our next project?

Beyond that, I just want to say thank you for everyone's continued commitment to the SREA and for the help you have given me!

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## FALL MEETING RECAP Ontario, CA • September 12-13, 2012 • Hilton Ontario Airport

BY RICHARD HOLMGREN

SREA held their 2012 annual Fall Meeting at the Hilton Ontario again. Brad Holmgren and I decided that it was close enough that we could drive it after work and be there early in the morning for my board of director's meeting. That worked nicely, but we got there at 11 PM. We walked in to check in, craving a cold beer after the long drive. The bartender saw us and turned off the lights... not sure how to take that. She obviously thought we looked like trouble.

The board had another very productive meeting and solved many problems of the world and some problems of the SREA. After the board of director's meeting there was the annual golf outing. Greg was a happy host again at Red Hill Country

Club. I am not sure how many times they are going to let this group in there, but it has continued to be a great time. Golf was followed by another amazing dinner there at the club.

Thursday's meeting started with an update from Steve Zyllowski. We learned that there is a projected 730,000 single family housing starts, a projected 20% increase. The previous year showed a 25% increase. We typically have approximately 1.5 million housing starts and during the glory days we had 2.1 million housing starts annually. Housing starts are headed up. Permits are up 4.5% from June alone. Existing home inventory is extremely low. We typically have a four month inventory and we are currently sitting at a one month inventory.

There was good news that the home foreclosure activity was slightly decreased. There will be increase in homes hitting the market from all the foreclosures. The banks have not flooded the market with these houses yet. The home price index is up 1/2% over last year. This is a big psychological boost. The mortgage rates are historically low and they are not expected to go up dramatically very soon.

Non-residential construction did bottom in 2011, but the growth out of the bottom is very gradual. The manufacturing purchasing index is below the neutral mark. This is a sign of weakness in manufacturing.

*Continued on page 3*



## Come Join Us at SREA's 2013 Annual Spring Conference April 18-19, 2013 • Hilton Pleasanton at the Club • Pleasanton, California

BY GREG BOYD II

They said Pleasanton, California is the Place you ought to be, so we loaded up a plane and flew to the SRE ..... A ... spring meeting that is ..... informative meetings and a golf tournament .....

Wow, need to keep the adult beverages at bay when I write these articles. Regardless, we are headed for Pleasanton, California for this year's annual Spring Conference. This is going to be a fantastic affair with a new venue, the Hilton Pleasanton at the Club in Pleasanton, CA, and some new features/ attractions. We are including table

top exhibits for trade exhibitors. We have a great group of speakers and a little different twist for our final session on Friday with Generational Speaker Meagan Johnson. We suggest spouses join us for an interesting and entertaining session. Back by great demand we will also have a 50/50 Raffle with great prizes at the Awards dinner.

We have golf at an extraordinary course at Callippe Preserve that is a very challenging and beautiful course. I can enjoy the view while the sticks in our group will appreciate the challenging

layout.

We have a great group of speakers, and a fantastic central location for a great spring meeting. The area is loaded with attractions that you may want to check out before the meeting or to be continued through the weekend. The Livermore wineries are close by and Napa is just up the road. Please mark your calendar and check the upcoming registration for all the added events and area attractions. This is going to be a great meeting. I look forward to seeing you all there.

### *Fall Meeting Recap, continued from page 2*

Consumer sentiment is down. GDP is down 1.73% in Q2 (second revised estimate). Projection for 2012 is 2.2% and we are currently not on track to even meet that. Growth is slowing around the globe. Investors are holding back and they are not building much. The slowing in China is affecting the global growth. They are running at 7% GDP growth. The overall message from Steve was that the economy and our business will improve. I thought that was great news... not sure when this is going to happen though.

Following Steve's update we heard from Mark Dalton of WoodWorks. We got to see a preview of the much anticipated SREA roof erection video. It was a little rough at the time, but it really did turn out great. We also got an update on jumbo panels, white roofs and traditional roofing. Mark informed us that the WoodWorks panelized roof system is now live on their site as of the night prior. Mark mentioned that the cross laminated timber is coming to the US. They even want to build a plant here in the US.

Then we went into everyone's

favorite subject of insurance with Brian Murphy. I am sure everyone could have guessed that rates would be going up. Rates are increasing and they are increasing at an increasing rate. Policyholder surplus is at record numbers, which means there is increased competition in the insurance market. Brian tried to move everyone to action by having the governor sign SB863. He believes this should lead to fairly significant cost savings and the bill was currently sitting on the governor's desk. Brian then went on to tell us that we need to meet our underwriter whenever possible. WE need to sell ourselves and our companies. Why should an underwriter take a risk on you. Brian gave us examples of plans and key points that the underwriters look at when they decide to sign up a company.

Brian said that 2008-2010 were some of the most profitable years for the insurance companies and 2012-2013 could be the worst. Bonding companies are losing money. We should expect an increase in underwriting scrutiny. Contract terms, liquidated damages,

geography and scope changes will all get worse. Contractors should consider backup surety where possible.

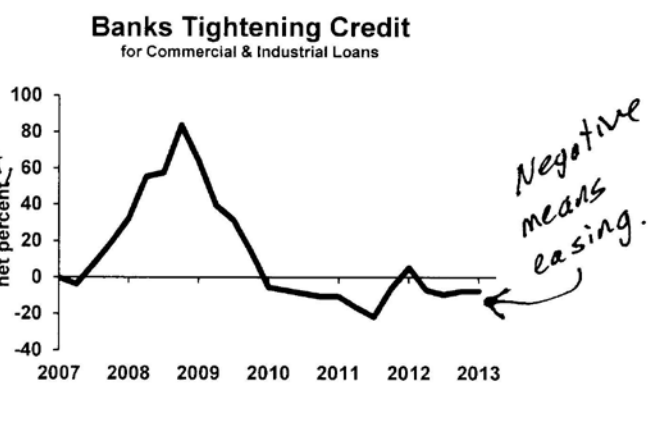
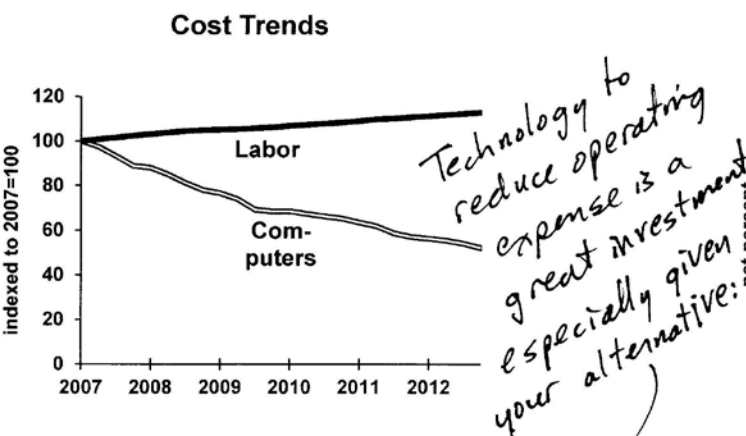
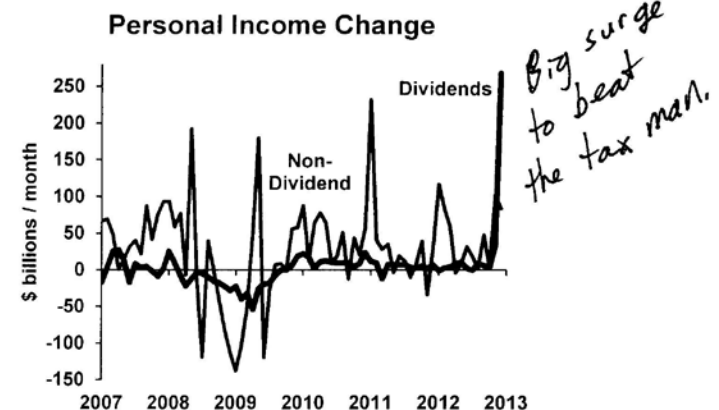
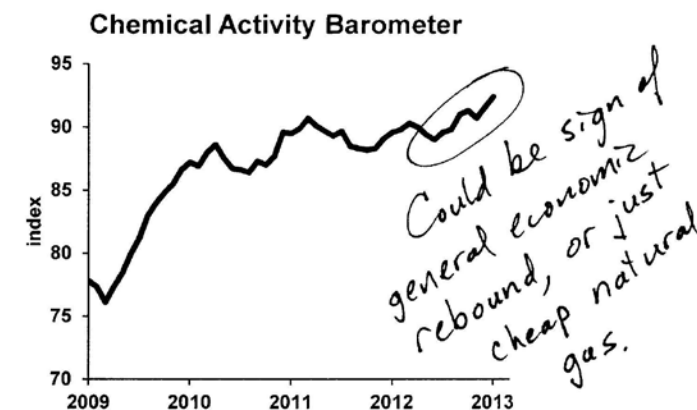
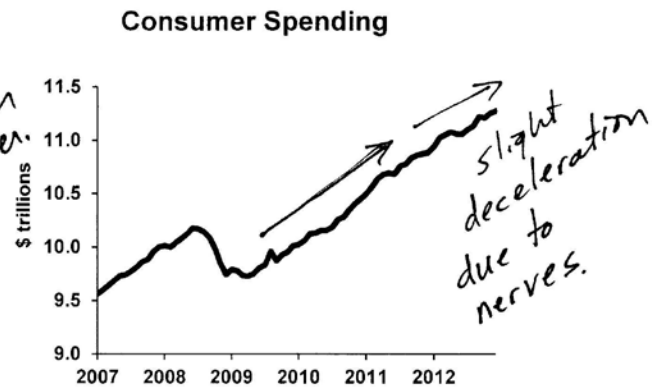
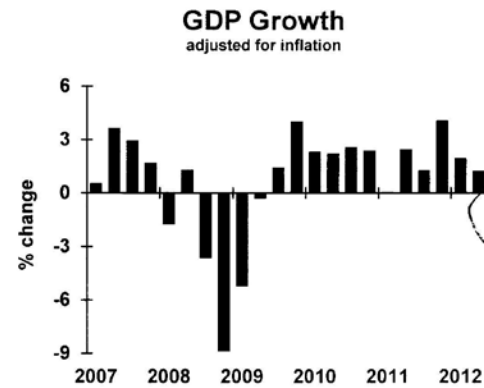
Chris Wischmann gave us his reasoning for all of us feeling the panel prices. Chris claims that it is simple economics 101 (that was a long time ago). Supply vs. demand. Housing starts are going to be up 20% this year and up another 20-21% next year. OSB is running at approximately 40% capacity. So there is a high demand for a product that has limited availability. Solution seems simple to me... Turn on those other mills.

Alliance TruTrus gave us a quick rundown of their current product offerings. They showed their Hybrid truss purlin that is capable of 12.5 Kips. It was said to be a replacement/ competitive with a K series steel truss. They looked quite impressive.

The group finished with a safety open forum that led into a general discussion of the industry. We adjourned at the end of the day and reminded everyone that we would be meeting in Pleasanton in the spring. I hope everyone had an enjoyable and educational time.

## Economic Forecast Update

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## Board of Directors

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## Website Directory

This column in the SREA newsletter is to help you gain access to an incredible volume of information available through Internet websites. If you have any sites that you feel would be of interest to fellow members, please e-mail [info@srea.org](mailto:info@srea.org) and we will add them to the following list:

<http://www.srea.org>

[www.irs.gov/smallbiz/construction](http://www.irs.gov/smallbiz/construction) - **Internal Revenue Service**

<http://www.dir.ca.gov/Title8/sub4.html> - **Construction Safety Orders**

[www.osha.gov/cgi-bin/est/est1](http://www.osha.gov/cgi-bin/est/est1) - **OSHA Establishment Records**

[www.apawood.org](http://www.apawood.org) - **American Plywood Association**

[www.southernpine.com/consumerinfo.html](http://www.southernpine.com/consumerinfo.html) - **Consumer Information on Pressure-Treated Lumber**

[www.epa.gov/pesticides/factsheets/chemicals/1file.htm](http://www.epa.gov/pesticides/factsheets/chemicals/1file.htm) - **Environmental Protection Agency FAQ on CCA**

[www.npic.orst.edu](http://www.npic.orst.edu) - **National Pesticide Information Center**

[www.southernpine.com/library.htm](http://www.southernpine.com/library.htm) - **Answers to Often-Asked Questions About Treated Wood — Order Complimentary Copy or Download PDF**

[www.awpa.com](http://www.awpa.com) - **American Wood Preservers Assn.**

[www.wolmanizedwood.com](http://www.wolmanizedwood.com) - **Arch Chemical Incorporated**

[www.borax.com](http://www.borax.com) - **U.S. Borax, Inc.**

[www.treatedwood.com](http://www.treatedwood.com) - **Chemical Specialties Incorporated**

[www.osmose.com](http://www.osmose.com) - **Osomose Wood Preserving**

[www.southernpine.com/ptl.htm](http://www.southernpine.com/ptl.htm) - **Pressure-Treated Southern Pine Standards - Specification - Applications**

## SREA Office Closures

The SREA office will be closed on the following dates in 2013.

Please make a note of these dates on your calendar.

**May 27**

**July 4**

**September 2**

**November 28 & 29**

**December 24 & 25**

**December 31**



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