

Annual Report

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2007**

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builders association
BUILDING YOUR BUSINESS

**100th
Anniversary**
1906-2006

Networking: Three Meetings On Annual Basis

Labor: Providing Solutions To Your Labor Problems

Safety: OSHA Partnership, Four Safety Forums

Eyes On The Future: BIM Seminar



In 2006...

The Construction Career Opportunity Program kicked into high gear as the Builders Association, the City Colleges of Chicago and three community groups came together to help increase the number of minorities in the construction workforce. Above, Joe Koppers of Bulley & Andrews chats with Dawson Technical Institute student Dave Thompson at a CCOP Interview Day in May.

The Builders Association celebrated its 100th Anniversary with an Annual Meeting at The Drake Hotel in Chicago. The Association honored Mayor Richard M. Daley (right) and Eddie Read of the United Services with the inaugural Community Builder Awards. Daley was honored for his dedication to improving Chicago's construction landscape, while Read was recognized for helping find jobs for those that need them and playing a role in the creation of the CCOP program.

Read more inside on the Builders Association's activities this year, and what it will do for you and your business in the future.



CCOP Program

Initiative Nets 31 Hires In First Year

Construction Career Opportunity Program Takes Aggressive First Steps Toward Increasing Minorities In Workforce

The Construction Career Opportunity Program progressed even further in 2006, and a number of Dawson Technical Institute graduates are satisfied with its growth and the benefits it has provided.

Started in late 2005, the CCOP is an effort by the Builders Association, the City Colleges of Chicago, the Building Bridges Project, the Coalition for United Community Action and United Services of Chicago to increase the presence of minorities in the Chicagoland construction workforce.

As of early this year, 31 graduates of the Dawson Technical Program had been sponsored into apprenticeships by participating contractors and 19 are currently employed by those companies.

Candidates are interviewed by participating contractors, who may sponsor those students they hire into apprenticeships.

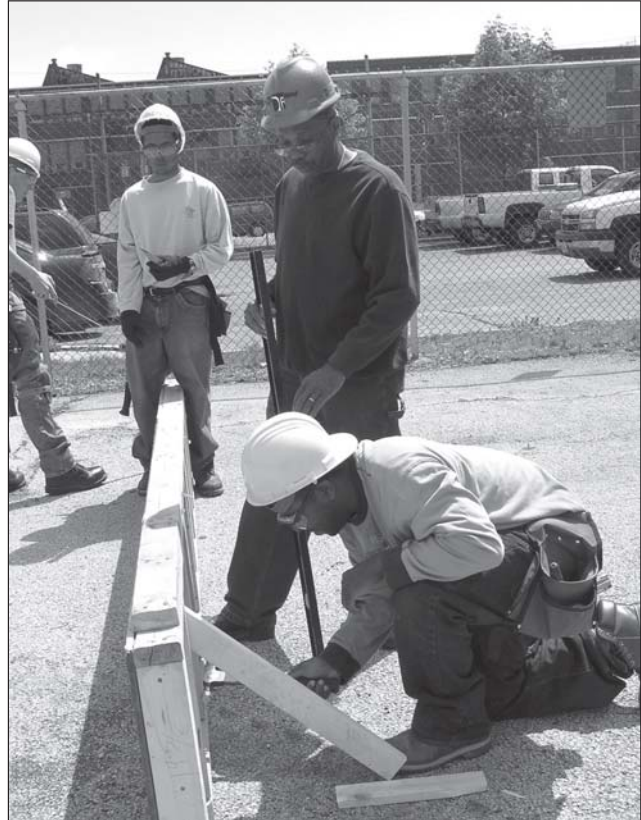
Through the CCOP, students are assisted with funds to attend Dawson Technical Institute training programs in a variety of trades. Programs include: Carpentry; Cement Masonry; Bricklaying; and Plumbing and Fire Protection.

The CCOP helps Builders Association members by replenishing Chicagoland's aging construction workforce and utilizing a segment of the population that has not been fully utilized by the construction industry. By committing to hiring graduates of the program, companies meet city residency hiring requirements, earn financial incentives for bidding on projects in the City of Chicago and exhibit good corporate leadership.

Participating contractors include:

- Bulley & Andrews, LLC
- Ceco Concrete Construction
- Garth Construction Services Corporation
- Herlihy Mid-Continent Company
- Kenny Construction Company
- James McHugh Construction Company
- McShane Construction Company
- Pepper Construction Company
- Power Construction Company
- Ryan Companies U.S., Inc.
- The Clark Construction Group
- The George Sollitt Construction Company
- The Levy Company
- Thorne Associates Inc.
- Tribco Construction Services, LLC
- W.B. Olson, Inc.
- W.E. O'Neil Construction Company
- Walsh Construction

For more information or to get your company involved in the Construction Career Opportunity Program, contact Mike Schultze or Stacey Kelly at 847.318.8585.



Students hone their crafts at Dawson Technical Institute.

Blast, Employees Among Changes

The Builders Association welcomed a host of new members in 2006 - listed on page 7 - as well as new employees in the second half of the year.

Andy Cole joined the Association as Communications Manager in September and both Membership Manager Ryan Schoonover and Project Coordinator Stacey Kelly joined the Association in November.

In addition to seeing the Construction Career Opportunity Program through its infancy, the Builders Association introduced a new communications initiative last May, the Builder Blast. The Blast is a weekly email that goes to nearly 500 members and includes information about upcoming Builders Association events, AGC of America information and updates on the Construction Education Institute. Also included are articles on labor changes, legislative items and many other pieces of information designed to help you and your business.

Kelly Fierro joined the Builders Association in early 2007 and handles accounting duties.

Meetings

Builders Association Turns 100

The Builders Association celebrated 100 years of service to Chicago's construction industry by recognizing two people who have been cornerstones in the Chicago building industry, both in the past and today.

At its 100th Anniversary Annual Meeting in December at The Drake Hotel, the Builders Association honored Chicago Mayor Richard M. Daley and United Services of Chicago founder Eddie Read as the recipients of the inaugural Community Builder Awards. The Association recognized Daley for his vision in

beautifying Chicago and Read for his leadership in creating job opportunities for disadvantaged members of the community.

Members enjoyed refreshments and hors d'oeuvres in a beautifully-adorned French Room before moving into the Gold Coast Room at The Drake for the program and reception. While continuing to network, attendees were able to sample from an open bar and various carving stations.

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Meetings Cover BIM, Labor Shake-Up

BA Brings In Experts To Help Members Stay Ahead Of Trends, Changes In Construction Landscape

In the late 1970's, REO Speedwagon sang about its ability to "Roll With The Changes." In 2006, the Builders Association put together programs that helped its members do the same thing.

BUILDING INFORMATION MODELING

Building Information Modeling and other forms of 3D modeling haven't taken long to make an impact on the construction industry. Last summer, the Builders Association brought Doug Maiden of Beck Technologies to the area for a BIM Seminar. Maiden outlined the Micro and Macro versions of Building Information Modeling and explained how project costs – which can take up to 240 hours to develop and estimate using two-dimensional drawings – can be estimated in as little as 20 minutes through 3D modeling.

The bottom line in the seminar was that BIM brings with it the likelihood of better buildings and a healthier bottom line. In an article printed in *The Builder* early in 2007, experts speculated that contractors who do not get educated about BIM will get left out when it comes to lucrative projects.

CHANGES IN LABOR ORGANIZATIONS

Changes in the national labor scene were addressed by Arthur Smith of Ogletree, Deakins, Nash, Stewart and Smoak at the Spring Meeting and Ray Poupore of the National Construction Alliance at the Fall Meeting. In addition to an opportunity to network, the Builders Association meetings last spring and fall gave members a chance to get a couple of different perspectives on the changing landscape of labor.

Smith discussed the Change To Win organization, which formed when union entities with a membership of around six million split from the AFL-CIO. He helped members understand the reasons for the split and underscored what impact those



Arthur Smith of Ogletree, Deakins, Nash, Smoak & Stewart speaks to members at the Builders Association Spring Meeting at the Hilton Garden Inn-O'Hare. Smith spoke about the Change To Win Organization, the formation of which was just one of a series of changes in the labor industry in 2006.

changes would have on their business at the local level.

Poupore is the Executive Vice President of the National Construction Alliance. Formed in early 2006 of the Laborers International Union of North America, the International Union of Operating Engineers and the United Brotherhood of Carpenters

please see Meetings, page 8

Builders Foundation

\$30,000 Afternoon

Sweltering heat and a tornado warning threw a bit of a damper on a round of golf for over 140 Builders Association members, but the weather didn't stop them from funding a program that helps college students afford their schooling.

Makray Memorial Golf Club in Barrington hosted the Builders Foundation Annual Golf Outing in late July, where over \$30,000 was raised for the Foundation. Since the program's inception in 2003, the Foundation has helped 13 college students fund their education in Construction Management or Civil Engineering.

With the help of generous donations from Builders Association members and funds raised during the Golf Outing, the Foundation provides \$3,000 scholarships to sophomores, juniors or seniors at Bradley, Purdue, Iowa State University, Northwestern University or the University of Illinois. The scholarships are renewable for up to two years of undergraduate work.

Former winners of Builders Foundation scholarships include Pepper Construction Company Assistant Project Manager Ceile Cull and W.E. O'Neil Construction Company Project Engineer Markian Pawlyk, who also interned at Valenti Builders.

Mike Schultze is the Builders Association's staff liaison for the Builders Foundation. The Foundation Board includes James Valenti of Valenti Builders (President), J. David Pepper of Pepper Companies (Treasurer), Lou Reiner of W.E. O'Neil Construction Company (Secretary), James McShane of McShane Construction Corporation and Phil Diekemper of Ceco Concrete Construction.

Winners for 2006 included Bradley University's Takeiya Hedrick and Emily Steimel and Purdue University's Jessica Hladik and Emily Hubacek.

Scholarship winners for 2007 are Brandon D. Feeley of Purdue University and Josh D. Galasso of Bradley University.



Golf carts roll along the Makray Memorial course, carrying some of the over 140 Builders Association members who helped raise money for the Builders Foundation.

The Builders Association gratefully acknowledges the following sponsors of the 100th Anniversary Annual Meeting:

PLATINUM SPONSORS

*Chicago Regional Council of Carpenters
Union Carpenters, Contractors Labor Management Assoc.*

GOLD SPONSORS

*Bulley & Andrews, LLC
James, Schaeffer & Schimming
McShane Construction Corporation
Pepper Construction Company
Ryan Companies U.S., Inc.
The George Sollitt Construction Company*

SILVER SPONSORS

*Chicago Area LECET Henry Bros. Company
LaSalle Bank McDonald Modular Solutions
Takao Nagai Associates Valenti Builders*

BRONZE SPONSORS

Scown Building Company W.B. Olson, Inc.



The 100th Anniversary Annual Meeting At The Drake Hotel in Chicago gave members a chance to network and the Builders Association a chance to celebrate 100 years of service to Chicagoland's construction industry. In the top photo, Builders Association President Al Leitschuh accepts an award on behalf of the Association from AGC of America CEO Stephen Sandherr. Below, Dan Bartol, Blaine Farrell, Bob Haskell and Kevin Rakow of Zurich North America gather for a photo. In the bottom photo, Membership Manager Ryan Schoonover (right) poses with Textura LLC's Dan Cahill and Sandy Brown in the French Room before heading into the Gold Coast Room for the meeting.



Annual Meeting, from page 3

Stephen Sandherr, who congratulated the Builders Association for its contributions to Chicago's construction industry. The AGC presented the Association with an award, which was accepted by President Al Leitschuh.

W.E. O'Neil Construction Company President Mike Faron spoke about the history of the Builders Association and what members have to look forward to in the future. Faron was followed by City Colleges of Chicago Chancellor Dr. Wayne Watson, who praised the Association for their role in the Construction Career Opportunity Program. More on the CCOP can be found on page 2 of the Annual Report.

For over 100 years, Builders Association members have been able to look to the Association for education services, assistance with labor and safety problems, and much more. The Association played big roles in forming the Associated General Contractors of America, the Mid-America Regional Bargaining Association, the Construction Industry Service Corporation and the Chicagoland Construction Safety Council.

The Builders Association is proud of its century of service to the Chicagoland construction industry and its role in helping its members build the city and the surrounding area. We look forward to another century of the same.



*The Builders Association
Thanks Its Sponsors For The
Annual Meeting. A List Of Them
Can Be Found On Page 4.*

Laborers, Management Come To Agreement After Brief Strike

In the wake of collective bargaining negotiations last year, wages and fringe benefits for union craft workers saw a large hike nationwide, and nowhere was that hike more noticeable than in Illinois.

According to numbers from the Construction Labor Research Council, wages and benefits increased an average of \$1.74 – or 4.5 percent – for first-year workers at the national level.

The increase is the greatest since 1990 and is up sixth-tenths of a percentage point from 2005 negotiations. The average second-year increase was listed at \$1.99, followed by \$2.01 for a third-year increase and \$2.17 for a fourth-year increase.

Settlements saw the steepest increase in Illinois, where the average first-year increase was \$2.71 (six percent).

In local Laborers negotiations, management set a May 31 deadline on contract talks. Despite the best efforts of Builders Association negotiators to maintain cordial negotiations, a Laborers strike could not be averted. That strike ended when an agreement was reached between Mid-America Regional Bargaining Association and the Laborers District Council June 4.

The four-year agreement - which will expire May 31, 2010 - featured increases of \$2.90 for first-year workers, \$3 for second- and third-year workers and \$3.10 for fourth-year workers.

To help its members review and understand the contract, the Builders Association conducted a free Laborers' Contract Forum June 13. The Forum was led by Steve Adelman of Lord, Bissell & Brook LLP and Robert

Lessman of Pepper Construction Company.

The Builders Association is one of few organizations in the area to have a full-time Director of Labor, underlining our commitment to labor issues and our member companies.

Around 10 times in the past year, companies were able to call Director of Labor Denise Capasso at the Builders Association with questions about jurisdictional disputes and other labor-related difficulties, and receive answers to their questions inside of 24 hours.

In the first three months of 2007, the Association helped members find solutions to three jurisdictional disputes, all involving carpenters.

Negotiations slated for this summer include Operating Engineers and Technical Engineers.

Forums, OSHA Involvement Show Dedication To Safety

Through its Contractor Safety Forums and a beneficial partnership with the Occupational Safety and Health Administration (OSHA), the Builders Association and its members continued to demonstrate a commitment to the safety of construction workers.

CONTRACTOR SAFETY FORUMS

The Builders Association four times a year holds a Contractor Safety Forum which addresses safety issues within the industry. It also allows for Contractors to share their ideas, insights and experiences during a group discussion.

Due to a rescheduling, there were three Forums held in 2006, the first in February. Topics at that forum included:

- Proper venting on explosion proof cabinets
- Effective and successful incentive programs or rewards
- Correcting errors in old OSHA logs
- Smart hiring
- Fall protection

September 13's Safety Forum featured a presentation on Personal

Protective Equipment by Paul Satti of the Chicagoland Construction Safety Council. After the presentation, a discussion led by Paul Flentge covered a number of topics, including:

- Enforcement
- Training requirements for Project Managers

• Employee allergies and safety
The third Safety Forum was held Nov. 17. Topics included:

- Pre-hire physicals
What or what not to enforce in drug-

please see Safety, page 8

AGC, Association Partnership Helps Members

Membership in the Builders Association includes membership in the Associated General Contractors of America (AGC).

The AGC offers a variety of public relations and legislative materials, in addition to books and documents on current trends in the construction industry. The AGC continually keeps its members in the loop financially with regular financial reports and audio conferences about issues important to contractors.

By using resources provided by the AGC, Builders Association members can keep themselves ahead of the game and improve their reaction to what comes next in the changing construction industry. One recent example is *A Contractor's Guide To BIM*, a book published by the AGC as a manual for contractors interested in using Building Information Modeling for the first time.

The AGC also ensures the industry's influence nationally in Washington through its Political Action Committee.

The Builders Association supports the AGC's legislative agenda, and has its own lobbyist in Springfield to protect the interests of the industry at the state level.

Builders Association Honor Roll

Safety Excellence Awards

Under 75,000 Employee Hours

Lawdensky Construction Company
The Lombard Company

75,000-250,000 Employee Hours

Glenn H. Johnson Construction Company
Opus North Corporation
Valenti Builders, Inc.

250,000 Employee Hours

Ryan Companies US, Inc.

Safety Recognition Awards

BABCO Construction, Inc.
Bulley & Andrews, LLC
Frank H. Stowell & Sons, Inc.
Glenn H. Johnson Construction Company
Herlihy Mid-Continent Company
Illinois Masonry Corporation
Interior Alterations, Inc.
Lawdensky Constructon Company
McShane Construction Corporation
Opus North Corporation
Pepper Construction Company
Ryan Companies US, Inc.
Scurto Cement Construction
Takao Nagai Associates, Ltd.
The George Sollitt Construction Company

The Lombard Company
Thorne Associates
Tyler Lane Construction
Valenti Builders, Inc.

Best Performance Improvement Award

Pepper Construction Company

AGC Certificates of Commendation

Glenn H. Johnson Construction Company
Paul H. Schwendener
The Lombard Company
Valenti Builders, Inc.

Annual Meeting Award Winners

70 Years

Henry Bros. Company; Herlihy Mid-Continent Company;
Pepper Construction Company

60 Years

William J. Scown Building Company

30 Years

Glenn H. Johnson Construction Company; James, Schaeffer &
Schimming; Warady & Davis

25 Years

The Levy Company; DS&P Insurance Services

20 Years

Thorne Associates

10 Years

Flaherty Construction; Tyler Lane Construction

Welcome To The Association

*The following companies joined the
Builders Association in 2006:*

ADP
Bert C. Young & Sons Company
Burnham Nationwide
CBIZ Accounting
Cedar Creek Construction
Chicago Architectural Metals
Clark Construction Group, LLC
Cremer, Kopon, Shaughnessy & Spina, LLC
Dalton Bros.
Door Systems
Electric Conduit Construction
Enterprise Fleet Services
Fettes, Love & Sieben
Foran Glennon Palandech & Ponzi PC
Gateway Concrete Forming Systems
Great Lakes Plumbing & Heating Company
Hayes Industries, Inc.
Hayes Mechanical
Hill Mechanical
Installation Specialists

Interior Construction Group, Inc.
ISEC, Inc.
J&S Construction Company
J.T. Magen & Company, Inc.
Just-Rite Acoustics
KR&G Excavating
Krahl Construction
Lakewood Carpentry Services
M&E Construction Company
McCartin McAuliffe Mechanical Contractor, Inc.
Mine Safety Appliances
New Holland
Orange Crush, LLC
Ornelas Construction Company
Parenti & Raffaelli, Ltd.
Rockford Blacktop Construction Company
Scurto Cement Construction, Ltd.
Tribco Construction Services, LLC
Ujamaa Construction
Western Utility Contracting
Westmont Engineering
William A. Duguid Co.

Safety, from page 7

testing program.

The Forums provide great networking opportunities for safety professionals and the opportunity for those professionals to talk with their peers about the best solutions for safety questions that many companies deal with.

OSHA PARTNERSHIP

On Friday, March 2, an extension to the Builders Association/

OSHA Safety Partnership was signed by Builders Association President Al Leitschuh, Safety Committee Chairman Robert Smith of The Levy Company and OSHA Northern Chicago Area Director Diane Turek. The new agreement is effective immediately and runs through Dec. 31, 2009.

The partnership promotes working with OSHA in a cooperative, non-adversarial way and opens the lines of communication between companies and OSHA.

To reach the Bronze level of the OSHA Partnership, a company must develop and implement a written safety and health program, conduct a weekly employee safety meeting and document self-audits.

Bronze level participants will not be cited by OSHA for non-serious violations provided the violations are fixed immediately, and benefits increase in the Silver and Gold partnership levels.

Companies reaffirming their commitment to safety by participating in the OSHA Partnership include:

- Airtite, Inc.
- Bulley & Andrews, LLC
- Frank H. Stowell & Sons, Inc.
- George Sollitt Construction Company
- Glenn H. Johnson Construction Company
- Herlihy Mid-Continent Company
- Illinois Masonry Corporation
- Interior Alterations, Inc.
- Joseph J. Duffy Co.
- McShane Construction Corporation
- Midwest Mechanical Group
- Pepper Construction Company
- Ryan Companies U.S., Inc.
- Sigalos & Associates, Ltd.
- Thorne Associates, Inc.
- Valenti Builders, Inc.
- W.B. Olson, Inc.
- W.E. O'Neil Construction Company
- William J. Scown Building Co.

In a 2007 issue of The Builder, the Builders Association will compare its safety partnership with other OSHA partnerships offered by other Chicagoland construction associations.

Meetings, from page 3

and Joiners of America, the NCA is Change To Win's version of the AFL-CIO's Building Construction Trades Department.

At the Builders Association's Fall Meeting, Poupore described what the NCA is and how it is endeavoring to be different from the AFL-CIO. He then tried to answer some questions members had about the NCA and what effect it would have on labor at the local level. Concerns of the members included jurisdictional disputes, unfunded vested liability in pension funds and activity on the National Labor Relations Board.

Through meetings, the Association continues to assist its members in keeping up with the changes in the industry.

Seven Builders Association Members Were Named Among The Top 400 Contractors In The Country By Engineering News-Record Magazine In May Of 2006. They Include: Pepper Construction Company; Ryan Companies U.S., Inc.; W.E. O'Neil Construction Company; James McHugh Construction Company; McShane Construction Corporation; The George Sollitt Construction Company; and Bulley & Andrews, LLC.

Builders Association Staff

ALBERT L. LEITSCHUH, C.A.E.
President

BA Governance
Industry Relations
Strategic Planning
AGC Liaison

MICHAEL SCHULTZE
Vice President

Industry Relations
Government Relations

DENISE C. CAPASSO
Director of Labor Relations & Safety

Labor
Safety

ANDREW COLE
Communications Manager

Communications
Media Relations

RYAN SCHOONOVER
Membership Manager

Marketing
Membership Development

STACEY KELLY
Project Coordinator

Administration
Education Programs

KELLY FIERRO
Accounting

KATIE SELLS
Communications Intern