



Copper State Ledger

Valley of the Sun Chapter

Construction Executive of the Year Issue

Spring Edition

April 2011

Special Thanks

Title Sponsor

- MJ Insurance

Platinum Sponsors

- AON Construction Services Group
- CBIZ & MHM
- DPR Construction
- McGladrey
- Specialized Services

Gold Sponsors

- DBSI
- FNF Construction
- Lewis and Roca
- Lockton Companies
- Lovitt & Touché
- Taylor, Duffy & Assoc.
- The Clements Agency



President's Letter

While holding the office of President is like being in entirely uncharted waters having assumed the office April 1st, my association with CFMA has provided me with many brilliant mentors who have made a tremendous impression on me both professionally and personally.

I began my association with the VoS chapter of CFMA in 2000 when I worked for a Heavy Highway/Residential contractor in Sierra Vista, AZ. I remember leaving the office at 8:00 a.m. to make the 11:30 a.m. luncheon, and then getting back to the office around 5:00 p.m. that afternoon.

I was very impressed with the organization and felt there was an opportunity to expand CFMA into the southeastern part of Arizona, not realizing the previous unsuccessful efforts and how difficult a chapter there would be to maintain. Nevertheless, I was determined to make it work. Along the way, a new promising career opportunity arose in Phoenix, making me the third

contender that had tried and failed. Unabashed, I spearheaded support from the VoS chapter and recruited as many local Tucson leaders as possible. With great persistence, the fifth attempt to engage our neighbors looks very promising. Thanks for not abandoning the Old Pueblo chapter; your continued support is very much appreciated. I truly believe that our relationship with nearby cities is now, and will continue to be, of tremendous value, especially in this current economic downturn.

I have had the privilege of seeing our organization evolve over the years and watched our chapter reach new heights. CFMA has been an unparalleled beacon in our industry for education, leadership, and networking. I am proud to have worked alongside tireless officers and board and committee members who have made this organization what it is today – now 25 years strong!

In recent years our industry has experienced particularly

turbulent times in an unpredictable economy, and has encountered its share of trials and tribulations. More than ever, today's financial construction professionals face a highly competitive environment that requires a thorough understanding of management, technology, and finance, along with business and legal principles. CFMA provides the opportunity to further develop these skills and prepare one to be a leader in the construction industry.

Where others have not, CFMA has persevered, growing and evolving to meet the needs of our community. We network, we educate, we support, and we honor those in our industry who have made outstanding contributions. As we continue to look toward the future, I am both honored and humbled to serve as your President, leading our chapter into many more successful years.

Jim Bracy, DBSI



Mission Statement

The Valley of the Sun Chapter of the Construction Financial Management Association (CFMA) is a broad-based organization of professionals committed to serving

the construction industry.

We are dedicated to member service by providing a forum for the exchange of ideas and a source of educational programs directed to

their specific needs.

We strive to invest in our community through involvement in industry-related issues and charitable endeavors.

Valley of the Sun Chapter

Event Co-Chairs



Tony Hakes, CBIZ & MHM



Ryan Evans, McGladrey

“By holding this golf tournament, VOS is able to raise significant funds to provide scholarships.”

Officers, Board, and Committee Chairs

The Team Who Planned the Evening

It is with gratitude we recognize the people who helped make this evening memorable. Committee members were:

- ◆ Debby Anderson - Minard-Ames Insurance Services
- ◆ David Beer - Sun Valley Masonry
- ◆ Jim Bracy - DBSI
- ◆ Todd Coleman - Lewis and Roca
- ◆ Anne Devine Thul - Pulice Construction
- ◆ Nick Foster - CORE Construction Services
- ◆ Greg Gross - Willis of Arizona
- ◆ Tom Lawless - Pulice Construction

- ◆ Jessica Perkins – Sunland Asphalt

It is only due to volunteer efforts and commitment that events such as the Construction Executive of the Year Banquet are successful.

Thanks Volunteers

21st Annual VOS Golf Classic

by Lisa Autino, Corbins Electric

We are honored that our presenting sponsor will once again be CBIZ & Mayer Hoffman McCann. The Golf Classic is our premier event to raise funds for scholarships and our chapter. Last year we raised over \$25,000. These funds have allowed us to endow scholarships at both ASU

and NAU, as well as award scholarships each semester to deserving students. We’ve also been able to support the Apprenticeship Lab through the Arizona Builders’ Alliance, provide funds for first-time attendees to the CFMA National Conference, and defray costs for members sitting

and successfully passing the CCIFP (Certified Construction Industry Financial Professional) exam.

The date is set for **Wednesday, October 12, 2011**, at McCormick Ranch Golf Club. We look forward to your participation

CFMA Valley of the Sun Officers, Board, and Committee Chairs

Officers

- President, Jim Bracy, *DBSI*
- Vice Pres., Kevin Burnett, *Sundt Construction*
- Secretary, Tony Hakes, *CBIZ MHM*
- Treasurer, Annette Johnson, *Morrison and Associates*
- Past President, Kristine Roe *McCarthy Building Cos.*

Board of Directors

- Deborah Anderson, *Minard-Ames*
- Cord Armstrong, *CBIZ MHM*
- Keith Bieber, *HACI Mechanical*
- Paul Boley, *The Hartford Financial*

- Taylor Brockbank, *Enterprise Fleet Management*
- Anne Devine Thul, *Pulice Construction*
- Ryan Evans, *McGladrey*
- Mike Fuhrmann, *FNF Construction*
- Michelle Grider, *Textura*
- Russ Kimberlin, *Mansperger Patterson McMullin*
- Dave Miller, *Jokake Contracting*
- Sam Napolitano, *Hunter Contracting*
- Jan Smith, *Clifton Gunderson*
- John Verhoff, *Core Construction*

Committee Chairs

- Budget, *Annette Johnson*
- Career Services, *Greg Gross*

- Education, *Marj Weber, Nancy Palmer*
- Construction Exec of the Year, *Tony Hakes, Ryan Evans*
- Golf, *Lisa Autino, Taylor Brockbank*
- Legislative, *Kevin Burnett*
- Membership, *Keith Bieber, Lisa Vaglio*
- Newsletter, *Lisa Autino*
- Programs, *Cindy Lee, Stephan King*
- Salary Survey, *Rayleen Colletti*
- Scholarship, *David James, Moni LaLonde*
- Succession Planning, *Tom Lawless*

2011 CFMA Arizona Construction Executive of the Year Mike Fann, President, Fann Contracting

by Lisa Autino and Debby Anderson

Congratulations to Mike Fann, President of Fann Contracting, our 2011 CFMA Arizona Construction Executive of the Year. Fann Contracting originally started as JL Fann Ditching & Excavating in 1960 with one hardworking man and a single backhoe. That was Mike's father, the late James Fann, and with the help of his wife, Sylvia, the business grew into the largest locally-owned heavy highway contractor in Northern Arizona. Jim's emphasis on quality performance, partnership building, and giving back to the industry and community is a work ethic that was passed along to Mike. According to Mike, "valuing our past and caring about the future is what shapes everything we build today."

Fann Contracting became involved in the highway business in the 70's and bought their first asphalt plant in the late 70's. They work for a host of municipal agencies including ADOT, Federal Highway Administration, Bureau of Indian Affairs, as well as many private owners. They also work on soil remediation projects through a related company called Fann Environmental.

The company employs more than 300, yet Mike's personal concern for each one is evident. Many of their employees have been with the company for 25 years or more. They take pride in the

fact that more than fifty percent of Fann project managers and supervisors are "homegrown" which enables them to build quality-focused, cohesive teams. Mike says the key to this longevity is that they try to show their employees the same loyalty as they've shown to the business. 2010 marked the 50 year anniversary of the company and, in celebration; Fann hosted an event attended by several hundred industry friends. Mike takes great pride in knowing that so many joined in celebration of the legacy built during the past decades. People make the difference and are a critical part of the success of the organization. Looking to the future, Mike's son, Jason, is now a Project Manager with the company, having graduated with a degree in Construction Management from the ASU Construction School in 2002. Jason always wanted to join the company and Mike is very glad to have him at Fann Contracting. The foundation for the future remains strong and bright.

2010 was challenging for Fann Contracting, as it was for many. The company's volume dropped dramatically and the biggest challenge, Mike says, was to maintain their employee base and to keep core people employed. They focused on keeping the right people and maintaining reasonable margins to successfully weather

a difficult year.

An especially rewarding project for the company in 2010 was the Mather Point Improvements for the Federal Highway Administration. The project is located at the Grand Canyon and, in addition to various walkways and improvements, Fann created a unique amphitheater right on the edge of the Canyon. Visitors are seated there for the Park Service's presentations, with the Canyon as a stunning backdrop.

The project that Mike is most proud of, however, is a skate park in Prescott. Mike conducted fundraising for the project and convinced the City to donate the land for a City Park. Mike says it's very gratifying to get a burger at lunch and watch from his truck as the kids enjoy skating.

Mike and Fann Contracting take great pride in their work and in their community. It is the backbone to help build a better Arizona. Mike credits longtime employee, Kerri Vaughn, for initiating a program they call FEMAD (Fann Employees Making A Difference). Employees can make donations to pre-approved charities and Fann Contracting matches their contributions



dollar-for-dollar. To date, approximately \$200,000 has been given to local charities in the Prescott area.

Transferring knowledge was always very important to Mike's dad and anyone that knew Jim Fann for very long saw this lived out. After Jim passed away in 2006, a scholarship was established in his name through a donation of \$250,000 to the ASU Foundation. Today, the James L. Fann Memorial Scholarship is given to a recipient from Central Yavapai County who has chosen a career in construction. Mike is not one to seek the spotlight, but he does believe that "you reap what you sow". He has certainly given generously in so many ways and we're proud to honor him as the 2011 Construction Executive of the Year.

2011 CFMA Arizona Construction Industry Pioneer Award Recipient Ron Rodgers, Former President, J. B. Rodgers Mechanical Contractors

by Debby Anderson and Lisa Autino



For forty years the name J. B. Rodgers Mechanical Contractors was a familiar name in Arizona. Ron's father founded the company in 1946, along with his uncle, in a backyard sheet metal shop. Ron remembers growing up seeing plans rolled out on the kitchen table, watching his dad doing take-offs. The business was, simply, in his blood from a very early age.

Ron's formal entrance into the business came through the sheet metal apprenticeship program and he credits his experience of working in the field for much of the respect he later gained from foremen and owners alike. He tells the story of a particularly challenging year in college and then spending the summer working on the repair of the roof and mechanical system following the fire at the Biltmore Hotel. He'd worked long and hard and was enjoying the monetary rewards. In fact, he told his dad that he

wanted to stay out of school for a while and just continue working in the trade. Strangely enough, the rest of the summer found Ron crawling in hot, dirty attics for the most part, and he quickly changed his mind about his future aspirations. Ron returned to ASU and earned his degree in Construction Engineering.

Ron's intuitive decision-making abilities were evident from the start and soon he gained the reputation as one that knew how to solve problems and keep projects on track. After a time working for University Mechanical, he returned to J. B. Rodgers in 1979 and was soon offered an ownership share in the business. There were early challenges as the direction of the company was sorted out and in 1981, Ron kept the construction side of the business – just in time to experience a period where work was scarce and cash was tight. Ron credits his introduction to Wink Ames (at lunch, of course) as a turning point in re-establishing the company's surety relationship and setting the groundwork for its future success. Under Ron's leadership, J. B. Rodgers Mechanical Contractors grew to be the largest mechanical contractor in Arizona and one of the top 30 nationally. Ron says their biggest achievement was the implementation of Total Quality Management, at the

urgency of one of their largest customers, Motorola.

Through a course at ASU, he learned what "First in Class" companies were doing and saw ways they could improve and grow the company. By organizing teams to map the company's processes, they discovered many ways to identify duplications, as well as strengths, and the effect on their profitability was astounding.

The company was sold to Kinetics in 1988, however Ron's involvement in the construction industry continues to this day. He is the Chairman Emeritus of the New Horizons Foundation, an education and research foundation dedicated to projects critical to today's construction industry. Ron has a passion for gaining and applying knowledge in the industry and his activities with New Horizons allow him to keep a foot in the door and to stay connected with people that have been a significant part of his career. Ron has been highly recognized as an unselfish contributor to the construction industry, both on a local and national level. During 1979, he served as the National President of the Sheet Metal and Air Conditioning Contractors National Association.

Over the years Ron encouraged his management team and employees to be involved in many charitable

organizations. The primary focus centered on children and education and included organizations such as the YMCA, St. Mary's Food Bank, Kiwanis Club, Kids Voting America, the Boys and Girls Club, and the Foundation for Burns and Trauma. One of Ron's former employees said "his heart for helping has always been BIG" and others have echoed this same sentiment.

Today, when he's not involved in industry-related activities, Ron enjoys spending time with his two daughters and his grandson, Tyler. He says that after raising girls, it's a real pleasure to do things that are rough and tumble and let them get their hands dirty. Tyler is Ron's regular fishing buddy as well.

Ron says that employee growth and success is his legacy and it is very satisfying to hear about employees using what they gained at J. B. Rodgers as they continue to pursue new opportunities. It's this kind of legacy that will benefit the construction industry for years to come and so it is with great honor that we have chosen him to be the 2011 CFMA Arizona Construction Industry Pioneer.

Best Under the Sun – General Member of the Year

by Lisa Autino

It is with distinct pleasure that we congratulate Kevin Burnett, Senior Vice President at The Sundt Companies, Inc. as the 2011 Best Under the Sun General Member of the Year. Kevin began his career as Registrar at McQuaid Jesuit High School in Rochester, NY after earning a BA in History at the University of Rochester in 1979. During a two year break he earned his MBA in Accounting at the University of Arizona. Kevin went on to become a Senior Audit Manager at Ernst & Young, LLC. After twelve years in public accounting, Kevin went into the industry spending three years as Corporate Controller for Evans Withycombe Residential, Inc.

before joining The Sundt Companies in 1998. At Sundt, Kevin manages the subcontractor prequalification process, is Chairman of the Finance Committee, Co-chairman of the Minority and Small Business Committee, and analyzes new investment and business opportunities for the company. Kevin splits his time between Sundt's Tempe and Tucson offices. He has earned both the CPA and CCIFP designations and is on the Board for the YMCA of Southern Arizona.

Kevin is on the Board of our CFMA VoS Chapter, is chair of the Legislative Committee, and recently became our Chapter Vice President. Last year he spoke as part of a

panel at CFMA's National Conference in Hawaii, and more recently he presented a session at the Tucson Old Pueblo Chapter meeting of CFMA on *Getting Paid Timely During These Tough Economic Times*.

Kevin's interests are varied and include scuba diving, white water rafting, yoga, running, and reading. He is married to Lois Ann and has a son, Mathew, who is a junior in high school, and a daughter, Nicole, who is a junior in college.

CFMA's Valley of the Sun Chapter is proud and honored to recognize Kevin Burnett as the 2011 Best Under the Sun General Member of the Year!



Kevin Burnett

Best Under the Sun – Associate Member of the Year

by Lisa Autino

This year we are honored to have chosen Debby Anderson, Underwriting Executive at Minard-Ames Insurance Services. Debby has been in the construction industry about 25 years, although she took a ten-year sabbatical to raise her two children, Teresa and Andy. She has worked with Wink Ames the entire time. She started as receptionist at Corroon & Black-Miller & Ames in 1976 and moved into increased responsibilities in the accounting and bond departments. Through years of experience, Debby has acquired a thorough knowledge of all aspects of bonding, including processing, underwriting, financial analysis, and customer service. She enjoys teaching the Finance in Construction seminars that are offered regularly through

several of the local construction associations. Debby finds the surety industry full of challenges, good people, and rewarding experiences. "Working with contractors, especially, gives me a chance to keep learning in the areas of accounting, legal issues, and the construction process itself." She earned her Associate in Fidelity and Surety Bonding designation from the American Institute for Chartered Property Casualty Underwriters and was named the Distinguished Graduate for achieving the highest cumulative grade point average nationwide among those receiving the designation in 2005.

As many of our members heard at a few of our luncheons, Debby is talented at singing. In fact, when she was first married, she and her hus-

band Ed were part of a folk singing group that performed primarily in churches around the metro Phoenix area. She continues to enjoy music, puttering around the kitchen, and reading.

Debby is a new Board member for the Valley of the Sun chapter and is also an active member of the Construction Executive of the Year committee. The Valley of the Sun chapter is grateful for Debby's dedication and service to our chapter and the construction industry. As she says, "At the end of the day, I want to know that I've given it everything I've got – sincerely and straight-up. I don't know any other way to be." Congratulations, Debby, on earning the 2011 Best Under the Sun Associate Member Award!



Debby Anderson

Jeff Banker, Banker Insulation

by Marj Weber and Debby Anderson



Jeff Banker Finalist

Jeff Banker grew up in the construction industry and worked while in high school for his father's company (Banker Insulation) loading trucks for \$2.25 an hour. Fast forward about 30 years, and Jeff is President of Banker Insulation leading a successful construction company during the most difficult times any contractor has seen. And, in his spare time, in 2009-2010 as President of AZ ASA, he was named Chapter President of the Year by the National American Subcontractors Association, while also President of the Insulation Contractors Association of America. No one can wonder why he is a finalist for the 2011 VoS CFMA Arizona Construction Industry Executive of the Year.

Since the company began in 1977, Banker Insulation has enjoyed having flexibility in the type of projects it undertakes. If the residential market is strong, they've maximized their efforts in

that arena; if the commercial sector is booming, they have the ability and talent to succeed there as well. And, as Jeff says, the nature of his business ranges from dog houses to 40-story buildings. Because of having worked in every facet of the business, Jeff brings invaluable insight to what works and what doesn't when it comes to running a business.

Jeff credits his employees as well as his and their ability to diversify and do more with less, with keeping Banker Insulation successful and still a leader in the industry. They have 11 locations, 7 in Arizona with 200 employees. His dad maintains some activity in the company, and they have lunch together every day they are both in town. The company is always looking to add products and constantly searching for new opportunities. But they seek growth only with the right products, the right service, and, most importantly, the right people.

One of the people Jeff most admires is Tom Lewis – so much so that Banker Insulation is a sponsor for the T. Lewis Foundation Golf Tournament. Other areas of community involvement include renovation of Hunt's Tomb, a scholarship program for their employees, participation in an Extreme Makeover edition, and involvement in Habitat for Humanity.

Jeff is proud of their people and knows that without their efforts and work ethic, they would not be where they are today. He knows that the future brings a tremendous challenge for survival for many business owners. But, as he confidently states, "I don't think anybody does what we do better than we do." And so they continue to recruit good people who care about their work and look forward to a strong future.

Valley of the Sun CFMA congratulates Jeff Banker on



Educational Opportunities

The CFMA Valley of the Sun Chapter Education Committee "explodes" with its 3rd Annual Education Forum Thursday, June 16, 2011. As an added convenience, this year's forum will be held in conjunction with the monthly June luncheon. The forum is packed with current **Global, National and Local Industry Topics** that every CFM should hear. CPE credits are offered for both the full-day session (8 credits) and either half-day session (4 credits). All forum registrations will include the lunch program. You may register for lunch only (1 credit) if you are unable to attend the forum. *The forum and lunch will be held at a Private Country Club, 2901 North 7th Street, Phoenix, Arizona.*

Topics include:

- ◆ Japan Crisis and the World
- ◆ Is the Surety Market headed for its own Meltdown?
- ◆ Update on Revenue Recognition, Leases, IFRS
- ◆ State of the Arizona Economy
- ◆ Health Care Reform, Where are We Today?
- ◆ Everything You Should Know about DBE
- ◆ Just deal with it or ???
- ◆ Additional opportunities for CPE are available at our monthly luncheons which are held most months. Upcoming programs include:
 - ◆ 05/05/11 Fraud Prevention and Internal Controls - Down Economy Turns Good People Bad (Tucson)
 - ◆ 06/02/11 Compensation Issues: Prevailing Wage/ Certified Payroll (Tucson)
 - ◆ 07/21/11 Social Networks
 - ◆ 09/01/11 The Marriage of Accounting and Project Management (Tucson)
 - ◆ 09/15/11 HR Issues, including Medical Marijuana
 - ◆ 10/06/11 Tax and Accounting Update (Tucson)
 - ◆ 11/17/11 Succession Planning, Wills, and Trusts
 - ◆ 12/01/11 Insurance Overview (Tucson)

by Nancy Palmer, Agate Steel

Thanks to the Forum's generous sponsors –

- ◆ Clifton Gunderson (breakfast)
- ◆ Morrison & Assoc. (a.m. break)
- ◆ CBIZ & MHM (p.m. break)
- ◆ Moss Adams (print materials)

Please join us in Phoenix or Tucson. Check the VoS website calendar each month at <http://chapters.cfma.org/ValleyOfTheSun/events.html>.

Jerry Barnier, Suntec Concrete

by Lisa Autino and Debby Anderson

Jerry Barnier, President of Suntec Concrete, is one of four exceptional candidates for the Construction Executive of the Year award. Jerry started his business in 1984, but he has not forgotten his roots as a tradesman in his early 20s. That foundation continues to influence this leader of Suntec Concrete. As much as he enjoys design challenges and dynamic large projects, his respect and pride for Suntec's trades' people permeates the culture, for he knows they are what make the quality product.

The mission of Suntec Concrete is to strive to be the leader in the commercial concrete market in Arizona and beyond. Aggressive performance, exceptional quality, innovative practices, and a solid company culture fuels their continual commitment to deliver a product that an owner cannot get anywhere else. In 2010, Suntec ventured out of state on a significant project for an established client. The work brought the additional challenge of working for the Corps of Engineers but proved quite successful and confirmed Suntec's ability to replicate their processes in any environment. Although he feels very positive about opportunities right here in Phoenix, Jerry anticipates more out of state work during 2011 as they continue to seek out challenging work.

Suntec Concrete has worked for over 26 years to establish

itself as a leader on challenging projects in the concrete industry. Jerry loves the variety of activities that he encounters each and every day and says he is never bored. He loves the risk in their work and thrives on seeing how challenges are resolved. He says his most rewarding days are when he can see new talent breaking through. Being a part of individuals' growth, as well as seeing big structures go up, are the ingredients for a fulfilling day. This all happens because of the great team of people assembled at Suntec.

Jerry makes sure that high standards of performance continue by assuring that all tradesmen receive up-to-date training through their state certified Apprenticeship Program. This is another trademark of Jerry's roots as a tradesman himself. He firmly believes in up-to-date training for his employees.

Jerry's interest in complex work evolved into the technology and innovation that have been keys to Suntec's long term success in construction. This includes an in-house BIM and Auto-CAD department. They were the first in the Southwest with a laser screed and super flat floors that changed the standard of floor quality in Phoenix. It was Jerry's involvement with the design concept that led to the efficiencies of tilt-up shear walls in parking garages and concrete forms in office buildings.

Suntec's markets include educational, industrial, high rises, medical, office buildings, the public sector, religious facilities, multi-family residential, and retail/hospitality centers. They are currently working on the very unique *Sky Train* project at Sky Harbor Airport. This project has been evolving over the last two years and will eventually run from 44th Street to the Rental Car Facility west of the airport. This project takes Suntec another step beyond where they've been in the past. The track system and deck are clearly visible to anyone traveling near the airport.

Jerry and the employees of Suntec Concrete are also highly dedicated to the community at large. This was a big focus for them during 2010, as they dedicated themselves to partner with Teach for America. They responded to requests from 25 teachers in various school districts in the Valley and found it to be a tremendous unifying process for their employees. Jerry says they gained a bigger sense of community and he plans to look for similar opportunities in the Tucson area as well. "Being selected as a finalist is really an award for the 300+ people that make Suntec go", says Jerry. It's the accumulation of their special talents and his leadership that have allowed him to be considered for this year's CEOY award.



Jerry Barnier
Finalist

Wink Ames is Oldest Person to Earn CCIFP

Wink Ames, of Minard-Ames Insurance Services, is the oldest person to obtain the CCIFP designation. He was interviewed by Jackie Buck and featured in an article for ICCIFP's *Inside the Institute*.

When asked why he decided to take the CCIFP exam, he mentioned how Marj Weber and David James talked about the body of knowledge being the business of construction. Wink decided if he was to serve

the industry effectively, he would benefit from the CCIFP information along with all his other knowledge.

Wink's interview is to be printed in *Building Profits*.



Ken Kortman, Kortman Electric

by Marj Weber and Debby Anderson



Ken Kortman
Finalist

No one was more surprised than Ken when his father, the founder of Kortman Electric, chose him, the second son, to succeed him as President of the company on his retirement. However, he saw something in Ken that convinced him this was the correct choice. And the success of Kortman Electric is proof positive he was right.

Ken originally planned to take a year off after graduating from high school, but his dad told him he'd never go back once he tasted the lure of money and the world. As it happened, Ken's dad started the business in 1982, and during that first year, Ken did work in the business, learning the trade, along with the ins and outs of running a company. He went back to school after that first year, primarily to prove his dad wrong, and earned a degree from ASU in 1987. He never left the business and credits his Dad with great wisdom in starting him in the field. He sees great benefit now in his ability to discuss issues of design and construction with clients and

strategy and troubleshooting with his crew and foremen.

Kortman Electric specializes in the design, construction, service and maintenance primarily of commercial and industrial projects. In 2010, the company completed the electrical work for the Cincinnati Reds/Cleveland Indians spring training facility for the City of Goodyear and the Public Safety/City Hall complex for the City of Surprise. They have done a number of water parks, including the Wet and Wild complex in the north valley.

Looking to the future, Ken says, "Our biggest challenge is understanding what it means to be in the 'new norm'. The first decisions were the easiest, but the challenges come when you have to cut even further into the things that have been key to your success." That takes great leaders, which Ken is convinced he has on his staff. He thinks they will be an even better business on the other side of this downturn.

Kortman's community service has been concentrated on youth. They are closely involved with the Fellowship of Christian Ath-

letes and Young Life, two organizations that reach out to students on high school campuses. His goal is to help youth learn how to make good choices which, in the end, benefits all of us. He is an avid advocate of education for the construction industry. A graduate himself of the ABA Leadership Development Forum, he has sponsored other of his staff to attend and graduate. His brother, Karl, Kortman's CFO, recently attained the CCIFP designation and is a member of CFMA. Ken himself is a new Board Member of the Arizona Builders' Alliance.

While there can be unique challenges in operating a close family business, it is clear that Kortman Electric's mission and values sustain them through their differences. Ken says, "When you've got great leadership in place, it makes the process and the journey much more enjoyable. I can't say enough about the talents that my staff brings. It makes my job very, very enjoyable."

Ken Kortman is another excellent finalist for the 2011 VoS CFMA Arizona Construction Industry Executive of the Year.

2011 Legislative Report

by Kevin Burnett, Sundt

The 2011 Legislative session saw a tumultuous period in which the Arizona State Legislature focused on balancing the budget while stacking up other legislation in committee until the budget was resolved. Several pieces of legislation that impact our industry wound their way through various legislative committees and now, with the budget behind them, the legislature has begun to deal with the cascade of bills that have been passed or bottled up in committee. The CFMA Legislative Committee, in conjunction with the ABA Legislative Committee, has been tracking the following bills as they make their way through the legislature.

Project Labor Agreements (PLA) – House Bill (HB) 2538 and Senate Bill (SB) 1403 prohibit state and local governments and agencies from mandating project labor agreements on any state and local public construction project. The bills were consolidated into SB 1403 and passed in both the House and Senate. It has been sent to the governor for her signature.

Modification of Stone Creek – SB 1085 corrected some language issues in the original Stone Creek legislation. It did not change the intent of the previous law. It passed both the House and the Senate and was signed by the governor.

Local Contractor Preference – SB 1014 creates a "reciprocity" law that works against "out of state" contractors to the degree that their home state discriminates against Arizona based contractors. Bill passed the Senate and has been assigned to committee in the House.

Increase of Debt Limits – SB 1263 allows school districts to raise the formula that calculates their debt limits. This allows the school district to increase or at least maintain their bond capacity. The bill passed in the Senate and is awaiting committee hearing in the House.

Unemployment Special Assessment – HB 2025 creates

an unemployment tax special assessment on the employer of .4% in 2011 and .6% in 2012 on each employee's compensation up to the \$7,000 limit. Funds generated by the special assessment will be used to repay the principal and interest on the state's unemployment loans and return the Unemployment Fund to solvency. The bill passed in committee.

Veterans Preference – HB 2473 creates a goal for contracting with veteran owned construction businesses of 1% in 2012, 2% in 2013 and 3% in 2014 on all state contracts. The bill passed House committee.

continued, page 10

around the chapter



As I write another column for the Copper State Ledger and in celebration of our 11th Annual Construction Executive of the Year (CEoY) Awards Banquet, I am reminded of the numerous things we have accomplished this year as a Chapter of CFMA. Let me recap...

Not long after last year's successful CEoY Banquet, the VoS Education Committee held the second annual Education Forum. This 8-hour seminar opened with Ken Bennett, Arizona Secretary of State, uniquely explaining the state budget followed by topics of tax, accounting changes, ethics, health care, and rounding out the day with a panel of experts discussing changes in credit and financing. The event was sold out and attendees gave all of the sessions very high marks.

The next month many of us headed to Kona on the Big Island of Hawaii to attend the National CFMA Conference. Though the sessions held there were too numerous to recount, several of us from the Valley of the Sun Chapter participated as Conference Speakers. However, the highlight of the entire Conference was that not only did we receive the Chairman's Excellence and Member Services Awards, but also we were named Chapter of the Year for large chapters. We celebrated later that evening at the annual

VoS Chapter Dinner at the Conference – and I know there are pictures to prove it!

But being the *Best Under the Sun*, we did not rest on our laurels. The rest of the year, in between our popular – sometimes informative and educational, but always entertaining – monthly luncheons, we continued to exceed even my expectations. We participated in JA BizTown, a Junior Achievement program that lets kids organize businesses with a plan, a product, and ultimately a success story. We have done this for several years and find it very rewarding. We've also contributed over \$20,000 to Junior Achievement to help them with this vital program. We awarded 6 scholarships to promising college students, helped fund 6 internships, and made a contribution to the ABA Apprenticeship Program as well.

In October two events took place, one that continues a long time tradition in our chapter and the other relatively new. The first was the 20th Annual VoS CFMA Golf Tournament to benefit construction education, and the second, on October 29th, was the Arizona Society of CPAs and CFMA VoS Annual Construction Industry Conference. This was our 4th year of participation as a partner, and I believe our most successful to date. And the golf tournament,

though threatened with rain for the first time ever, raised over \$25,000 to benefit our goal of providing the best educational opportunities for our members and the construction industry through seminars, apprentice and internship programs, and scholarships.

And I would be totally remiss if I did not mention our Chapter's support of the CCIFP designation. A CCIFP Overview Seminar was held in October with a second one in December as part of the National AICPA Construction Conference in Phoenix, with an exam a few days later. The Valley of the Sun gained 6 more CCIFPs to add to our ranks.

Also in December we continued to support The Christmas Tree Project with toys donated at the annual white elephant gift exchange at the December lunch meeting. Plus we supplied volunteers for Santa at the Fowler Elementary School that month.

February marked two more major events for our Chapter. On February 17th almost 150 gathered at the Heard Museum to help us celebrate our 25th Anniversary as a CFMA Chapter. It was quite an evening – the program was fun, dinner was delicious, and many of the "old timers" showed up to help us celebrate. *See the article elsewhere in this edition for more details.*

And less than a week later



thanks to Marj Weber, Irontree Construction, for *around the chapter*

the 2nd Annual Economic Outlook Breakfast, co-sponsored with McGraw-Hill, was held at the Phoenix Airport Marriott with almost 100 in attendance. This was another successful educational program for our members and others in the construction industry.

So this brings us to this evening you have just enjoyed. Our mission statement, written over 20 years ago, of "commitment to serving the construction industry...dedication to member service...a source of educational programs...and investing in our community" still rings true today as evidenced by the activities of the past year; and I would guess it will still be a fact 25 years from now.

Until next time...

Valley of the Sun 25th Anniversary Gala by Marj Weber and Michelle Grider



President #1, John Corcoran
President #25, Kristine Roe



Past Presidents who attended



Committee Members



Native American Dancer

After months of planning and anticipation, on February 17, 2011, a group of almost 150 Chapter members, Construction Industry partners, and their guests convened at the Heard Museum in Phoenix, Arizona to help us celebrate our 25 years as a Chapter of CFMA.

Represented in this group were several of our founding members as well as many of our Past Chapter Presidents, Officers, and Board Members. Also in attendance were Brian Summers, CFMA COO; Mike Molaro, CFMA Director of Chapter Services; and Mel BurgEs, CFMA National Chair. Our Title Sponsor, TEXTURA, was represented by Pat Allin and Bill Eichhorn; and our Entertainment Sponsor, Computer Guidance, sent Roger Kirk and Rex Kottkamp. Each table at the Gala represented a year in our history and many were headed by the president from that year, each of whom was encouraged to share stories and remembrances from their time with CFMA.

Kris Roe, Chapter President #25 and John Corcoran, Chapter President #1 (or “Regis and Kelly” as we came to call them) were our hosts for the evening. Their pairing was one of the hits of the night. To guide us down Memory Lane, five Past Presidents (Lloyd Brown, 1990 #5; Greg Frost 1994, #9; Diane Christensen 1997, #12; Teresa Walker 2003, #18; and Cindy Lee 2006, #21) each repre-

sented a five-year period in our history and entertained us with highlights of our past including stories, awards, and anecdotes along with what was going on in the world during that time.

Also shown during the event was a special video created to commemorate our 25th Anniversary. Chapter Presidents (Jim Bracy, then Incoming President #26; Kris Roe, #25; Marj Weber, #14; David James, #10; and John Corcoran, #1) talked about what CFMA and the Valley of the Sun Chapter meant to them while other interviewees such as Mel BurgEs, Mark Minter (Executive Director of Arizona Builders’ Alliance), and Ryan Spriggs (scholarship recipient) provided an outside perspective on our Chapter and our contributions both locally and nationally.

Special mention was made of those Chapter members that have made significant contributions during our history, not the least of which was the late Joe Quigley, VoS President #3. Many Chapter leaders, past and present, credit Joe with setting us on the path to excellence. There have been many that have fostered his dream, but Joe will forever live in our hearts as the ONE who started it all.

One of the many highlights of the evening was a presentation honoring Glenda Whitten, our Chapter Management Professional, thanking her for her dedication over the last 12 years. As part of this, we were

able to grant her “bucket list” wish to “ride some IRON”! On April 1, 2011 a group of CFMA VoS members witnessed Glenda driving her own piece of “iron” at Empire Machinery. In addition, we wanted to provide her with a monetary show of our gratitude so we solicited donations from the chapter and individual members. The response was amazing – truly a tribute to all she does for us.

The evening concluded with a performance by Native Spirit Productions who provided an amazing demonstration of Native American dances including a performance by the reigning National Champion Hoop Dancer, Brian Hammill. This group performs all over the U.S. (including last fall for CFMA Spring Creek) and was featured on the Today Show earlier this year.

The evening was capped with a special edition of the Copper State Ledger quarterly newsletter handed to each attendee. Contents included an unofficial history of our Chapter, an article on the early days, and some humorous stories and pictures from our past. If you missed the event, the newsletter is posted on the VoS website at <http://chapters.cfma.org/ValleyOfTheSun/publications.html>

It was an evening to remember – and we look forward to celebrating the next 25 years of success!!

Legislative Report – *continued from page 8*

Withholding Requirement on Public Contracts – On the federal front there is a move to repeal the requirement for public owners (yes federal, state and local governments and agencies) to begin withholding 3% of every payment to con-

tractors beginning January 1, 2012. This withholding requirement impacts both general contractors and subcontractors. Legislation has been introduced in the House and Senate to repeal this mandate. You can read more on the withholding at

the Association of General Contractors (AGC) website in the advocacy section under tax. We encourage you and your employees to write your senators and your congressmen in support of repealing this requirement.

Membership Update

There are so many benefits to being a member of CFMA that it is hard to quantify them all. For me, being a member has helped me grow both personally and professionally. The networking and educational opportunities are best in class! The wide variety of construction specific topics at the monthly luncheon meetings helps keep you ahead of the game. I've formed so many great relationships since becoming a member in 2008, and it's a great feeling to know that you have such a vast pool of knowledge to draw from. I have CFMA to thank for my current position, which I only knew about from getting involved in the Chapter. I highly recommend becoming a member of CFMA and getting involved from the beginning, Lisa V.

Our total membership, as of

March 31, is 277. The breakdown is 163 general members and 114 associate members. We've had 18 new members join in 2011.

The committee recently began using *LinkedIn* as a way to find new prospects. Non-members may join the VOS *LinkedIn* group as a guest for a 90-day trial period. We hope these guests find the networking opportunities in the VOS *LinkedIn* group to be beneficial. During a guest's trial period, our committee reaches out to them and provides them with CFMA promotional brochures. Towards the end of the 90-day trial period, our committee once again provides them the benefits of CFMA membership and encourages them to join.

In another effort to develop new prospects, our committee is

by Lisa Vaglio, McCarthy and Keith Bieber, HACI Mechanical

planning to team up with the salary survey committee. The idea is to disburse CFMA brochures in conjunction with the salary survey to potential general members. Hopefully, construction professionals who use the salary survey will also realize the many benefits of CFMA membership. The committee is also reaching out to prospects who attended the 2011 Economic Outlook and 25th Gala.

We are considering reaching out to general contractor (GC) members. The idea is for GCs to be more involved in soliciting new members. We think there is a recruiting opportunity for GCs who host pre-qualification meetings, job kickoff meetings, or other activities with their subcontractors. The committee encourages all GCs to invite their subcontractors to get involved

with CFMA.

National unveiled an online membership tracking system called Retention Builder. It is a database that allows chapters to track the activity and status of current members and prospects. The Committee is scheduled for a web demo and training on the Retention Builder system in April. After the demo and training, the Committee will discuss the best way to use the Retention Builder.

If you or someone you know would like more information about joining CFMA, please contact Keith Bieber or Lisa Vaglio.

kbieber@hacimechanical.com
LVaglio@mccarthy.com

What's on YOUR Bucket List?

Morgan Freeman and Jack Nicholson developed their lists in the movie, "The Bucket List," while in a hospital battling terminal illnesses. On a much brighter note, our own Chapter Management Professional, Glenda (aka Gearshift Glenda), developed her list (or at least a part of it) at a CFMA lunch program – and had pulled me aside with one of "those" looks divulging that one Bucket List item was "driving some yellow iron".

When Glenda speaks, CFMA listens! And, as most of you know, at the 25th Anniversary Gala, Gearshift Glenda was awarded a certificate from Empire Equipment to experience the thrill of driving some yellow iron!

On April 1st (NOT an April Fool's joke) a group of folks from CFMA and FNF ventured way the heck out to Apache Junction, deep into the bowels of the east valley, to strap Gearshift Glenda into a 980H

wheel loader (trust me folks, this is one of the BIG units, and I ain't talkin' Randy Johnson!). Once strapped in and with three minutes of instruction under her belt, Gearshift Glenda took over the controls:

Forwards - - Backwards (on purpose) - - and bucket up/bucket down

It was a sight to behold and cherish – from her "climbing aboard" (you don't just open the door and sit down with this rig), to her look of joy (fear?) in the cab, to the "happy dance" after the drive. She noted that the steering was extremely sensitive (which might explain her unexpected sharp right turn at one point) - - but through the whole affair, there were no reportable losses, injuries, or claims – Good Job!

I wish to express, once again, the appreciation from CFMA for all of Gearshift Glenda's time, energy,

and efforts to keep this association on the straight and narrow - - Lord knows, it ain't easy! Valley of the Sun would NOT be nearly as successful without her talents.

I also wish to thank EmpireCAT Machinery for making this Bucket List item a reality. They did a great tour of their facility and equipment yard (they have some really cool toys out there ...).

Now, Gearshift Glenda . . . about that "flyin' a jet fighter" item on your Bucket List . . .

by David James, CPA, CCIFF, FNF Construction



Copper State Ledger is the official publication of the Construction Financial Management Association, Valley of the Sun Chapter. CFMA is a non-profit association dedicated to the financial person in construction. Membership information is available on the web at www.cfma.org/valleyofthesun/index.htm; click on How to Join

CFMA Valley of the Sun Chapter

Title Sponsor



Platinum Sponsors



Gold Sponsors



Silver Sponsors



In-kind Sponsors

