from the President . . .

The Valley of the Sun Chapter recently finished hosting a fantastic National Conference and Exhibition at the JW Marriott Desert Ridge in Phoenix. We broke records and National received more evaluations than ever before, many stating participants wanted to return to Phoenix. The next available date for Phoenix would be 2012, so, for now, we’ll wait and see if the National Conference and Exhibition returns.

During the conference several members from around the country told us we need to continue to set the bar for chapters around the country. Yet we face the notion that we are arrogant, and so we back off. What is the right course to take?

Each year we undertake many of the same things such as the Executive of the Year Banquet and our annual Golf Tournament to raise funds for education. Much of what we do appears to maintain the status quo for us as a chapter. The question becomes, How can we, as a chapter, rather than one person or a committee, make the Valley of the Sun Chapter more exciting for you so you want to reach out and participate more?

We have the largest chapter, yet 20 percent of the members do 80 percent of the work. This isn’t surprising. Most volunteer organizations are that way. What can we do differently to change that for our chapter? What can we do differently so you want to participate? I encourage you to e-mail me at l.autino@corbinselectric.com or our Chapter Management Professional at cfma-admin@cox.net to let us know.

We are currently in the midst of renaming our newsletter by having a contest. The Copper State Ledger is tried and true, but it could use a new name. Marj Weber and Glenda developed a new masthead for our last edition, and it looked clean and fresh. Now we need to give it a new name to complete it.

I encourage you to get involved. It will make a difference for you personally as well as our chapter. Thank you.

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.
CFMA Valley of the Sun Programs and Events

The CFMA Program Committee plans programs on topics of interest for its members. Some of the up-coming programs and events include:

- **August 16** – **Insurance Captives**, presented by Tom Stewart
- **August 30** – **Old Fashioned Ice Cream Social**, a networking event
- **September 20** – **Total Cost of Risk**, with Greg Stefan
- **October 18** – **What Buyers of Group Health Insurance Should Know**, by Pam Sponge
- **October 24** – **Golf Tournament** at Orange Tree Golf Resort
- **November 15** – **Arizona’s Economic Forecast** with Jim Rounds
- **December 6** – **Holiday Event and Networking Lunch**

Helen Spencer of Johnson Carlier and Mike Specht from Minard-Ames Insurance Group are Co-Chairs of the Program Committee. They are always looking for people to join the committee. If you have an interest, please contact Helen at 602.275.2222 or Mike at 602.393.3431.

CFMA Valley of the Sun Officers and Directors

- **Officers**
  - **President**, Lisa Autino, Corbins Electric
  - **Vice Pres.**, Michelle Redding, Wespac Construction
  - **Secretary**, Nancy Palmer, Agate, Inc.
  - **Treasurer**, Rayleen Colletti, Hunter, Hagan & Co.
  - **Past President**, Cindy Lee, Haydon Building Corp

- **Board of Directors**
  - Diedre Aldous, MKB Construction
  - Jim Bracy, StraightLine Utilities
  - Robert Dyer, Dyer & Butler
  - Greg Gross, Willis
  - Roberta Gurbey, Hagen Business Systems
  - Carol Hagen, Hagen Business Systems
  - Tony Hakes, CBIZ & Mayer Hoffman McCann
  - Howie Jones, Jones Consulting
  - Ken Kellaney, National Bank of AZ
  - Tom Lawless, Pulice Construction
  - Scott Morrison, Morrison & Associates
  - Jeff Robertson, AAA Landscape
  - Kristine Roe, McCarthy Leanne Scheub, SNK Development, Inc.
  - Brad Smith, Deloitte & Touche

- **Committee Chairs**
  - **Budget, Finance**, Rayleen Colletti
  - **Career Services**, Greg Gross
  - **Database**, Peggy Hughes
  - **Education**, John Corcoran
  - **Construction Exec of Year**, Greg Gross, David Beer
  - **Golf**, Chelie Lacrosse, Jared Asay
  - **Legislative**, David James
  - **Membership**, Diedre Aldous, Ted Rarrick
  - **Newsletter**, Marj Weber
  - **Programs**, Mike Specht, Helen Spencer
  - **Salary Survey**, Phil Taylor
  - **Succession Planning**, Dennis Tsonis
Our Member Retention is Good, And – We Want to Improve!
by Ted Rarrick, construction RISK partners. inc.

In 2007 the Valley of the Sun Chapter had a better-than-average rate for member renewals. The Membership Committee contacted members who did not renew to get their feedback.

We found out the majority of non-renewals occurred due to a change in employment. There were some who thought they were too busy and could not participate, so they dropped their memberships. The construction economy is strong, so that is another cause and effect we see. While we have a very strong growth rate, we lose some out the other side.

Even though our net growth rate of members is one of the best in the country, we look for ways to improve the experience for new members. We have implemented several programs with excellent feedback. One of the most popular and effective programs is the New Member Breakfast.

As we continue on our path of excellence for our chapter, we ask: Do you have ideas on how we can improve the Membership Committee efforts? If so, feel free to e-mail your comments to me at ted@crpbonds.com or call 480-220-2577.

To those new members who I have not yet met, I look forward to meeting you at various CFMA events in the future!

Construction Executive of the Year Banquet Sets Record!
by Greg Gross, Willis and David Beer, Sun Valley Masonry.

On May 3, 2007, almost 200 CFMA members, construction company owners, and special guests donned their best party attire and gathered at the unique Wrigley Mansion venue to enjoy an evening of camaraderie, great food, wonderful entertainment, and – most importantly – to honor four individuals who have made a significant contribution to the industry.

Awards were presented to Wink Ames of Minard-Ames as Pioneer of the Year; to Chelie Lacrosse of Smith Manus Surety for Best Under the Sun Associate Member; to Diedre Aldous of MKB Construction for Best Under the Sun General Member; and of course, to Doug Gardner of Achen-Gardner, Inc. the 2007 CFMA Arizona Construction Executive of the Year.

One of the most exciting aspects of the evening was the fact that we sold out the event – a first in the banquet’s history and a goal of the first committee members back in 2000. Committee Co-Chairs Greg Gross and David Beer are convinced that it will only get better in 2008. If you would like to be a part of the fun (Committee meetings are held at Gallagher’s Sports Bar – 16th Street and Morten after 5 p.m.) and contribute to the success of this event, contact Greg at 602-787-6296 or David at 602-943-6106.

22nd Annual Construction Industry Conference
October 17, 2007   Black Canyon Conference Center, Phoenix

ASCPA and CFMA are joining together to present the 22nd Annual Construction Industry conference. For detailed information, visit www.ascpa.com or www.cfma.org.

The conference schedule includes such topics as:
- Internal Controls to Deter Fraud
- FASB Review and Update
- Fin 46
- Issues on Developing Land
- Audrey Adamic
- Health Insurance and Related Programs
- Ethics — Marianne Jennings
- The New IRS
- Fin 48 and 101 plus
- Training Grants and Hiring Incentives — Joel Postal, David Estrada
- Bulletin on the Latest New Laws — Julie Pace
Registration for the 2007 CFMA VOS Annual Golf Classic is well ahead of last year’s record-setting pace. More than half of the maximum 128 golfers have already registered. Sign-up now to be sure you are a part of this fun and exciting event.

This year’s tournament, presented by CBIZ & Mayer Hoffman McCann P.C., will take place on Wednesday, October 24th, at the Orange Tree Golf Resort. Sign-in and breakfast on the day of the tournament begins at 6:00 a.m. The Gold Breakfast Sponsors include HACI Mechanical Contractors, Inc.; Agate, Inc.; Lovitt & Touche; and Haydon Building Corp.

Schedule for the day includes the shotgun start at 7:30 a.m. followed by the luncheon and awards presentation. The Platinum Lunch Sponsors include Smith Manus Surety and Enterprise Leasing Co. Corbins Electric is the shirt sponsor again this year.

Several sponsor opportunities still are available. All proceeds raised by the golf tournament benefit formal and vocational education in support of the construction industry. Thank you to all of our sponsors who have decided to “link up with construction education”.

Registration and sponsor forms are available on the CFMA VOS Chapter website at www.cfma.org/ValleyOfTheSun/index.htm. You may also contact one of the co-chairs for more information: Chelie Lacrosse of Smith Manus Surety can be reached at clacrosse@smithmanus.com or Jared Asay of CBIZ & Mayer Hoffman McCann, P.C. can be contacted at jasay@cbiz.com.

Be sure to get in on this exciting event. It is both a fun and rewarding way to enjoy a day on the course while supporting education in the construction industry.

CFMA VOS Scholarship Awarded
by John Corcoran, CICPAC

CFMA’s VOS Education Committee awarded a $2,500 scholarship to Brenda Mason, a staff accountant at Pulice Construction. She currently attends the University of Phoenix where she is on track to receive her Bachelor’s in Accounting.

Brenda is very appreciative of the assistance provided by VOS and plans to stay in the construction industry after she receives her degree. Tom Lawless, CFO of Pulice, writes: “She has established an outstanding rapport with field managers and owners. Brenda is highly respected by the people who work with her…."

Sounds like Brenda is a person who reflects well on our industry and is an asset to her company.

Congratulations, Brenda!
SUMMARY OF NEW EMPLOYER SANCTIONS LAW
by Julie A. Pace, JD, Ballard Spahr Andrews & Ingersoll, LLP

Under the Legal Arizona Workers Act, which becomes effective on January 1, 2008, employers that knowingly or intentionally employ unauthorized aliens may have their business licenses suspended (first violation) or permanently revoked (second violation). Additionally, all Arizona employers will be required to verify the employment eligibility of all employees hired on or after January 1, 2008 using the Basic Pilot Program. Use of the Basic Pilot Program creates a rebuttable presumption that the employer did not knowingly or intentionally employ an unauthorized alien. Good faith compliance with the federal 1-9 requirements creates an affirmative defense for an employer that is charged with knowingly or intentionally employing an unauthorized alien.

Pursuant to the Act, the Attorney General or County Attorney must investigate every complaint that an employer is knowingly or intentionally employing an unauthorized alien. After investigating the employee's legal status by querying the federal government, the County Attorney must prosecute every complaint that is "not frivolous," which is a pretty low standard. Right now, there are no requirements that the complaints be made in writing or that they include the name and contact information for the person filing the complaint, which seems to allow anonymous complaints against a company by anyone that has a reason to be unhappy with the company for any reason.

If an employer is found to have "knowingly" or "intentionally" employed an unauthorized alien, the court will order the employer to file an affidavit with the County Attorney within three business days affirming that the company has terminated the employment of all unauthorized aliens and that the employer will not knowingly or intentionally employ an unauthorized alien. For a "knowing" violation, the court can suspend the company's business license for up to ten days. For an "intentional" violation, the court must suspend the company's business license for 10 days, and can suspend it for longer periods of time.

For a "knowing" violation, the employer is subject to a three year probationary period. For an "intentional" violation, the employer is subject to a five year probationary period. During the probationary period, the employer must file quarterly reports with the County attorney identifying new employees hired in the location where the unauthorized alien performed work.

If an employer is found to have knowingly or intentionally employed an unauthorized worker during the probationary period (a second violation of the law) the employer's business licenses are permanently revoked. If the employer is not found to have violated the new law a second time during the probationary period, the slate is wiped clean. It is only for a second violation of the law during the probationary period that the company will permanently lose its business licenses.

"License" under the law is broadly defined. It includes Articles of Incorporation, Articles of Organization, Certificates of Partnership, authority for foreign entities to transact business in Arizona, and all permits, certificates, charter, or registrations necessary for the purposes of conducting business in Arizona. If an employer knowingly or intentionally employs an unauthorized worker, the license that will be affected can be either (1) the license necessary to operate at the location where the undocumented worker provided services or (2) if no license is required at the site where the undocumented worker provided services, the licenses at the central place of operations.

The law has ambiguities, lacks due process, and contains unconstitutional violations. A lawsuit was filed on July 13, 2007 challenging those portions of the law that violate the U.S. Constitution, Arizona Constitution, and federal law. In order to comply with the new law, employers need guidance. The lawsuit will help resolve the unconstitutional parts of the new law so that employers will eventually know what steps to take to comply with the law. Gov. Napolitano has asked for a special session to fix the deficiencies in the new law, but thus far the Arizona Legislature is reluctant to participate in a special session. Because of the problems with the Basic Pilot program, and because employers cannot just start and stop use of the Basic Pilot program, most employers are waiting to determine whether to use Basic Pilot. Many employers, however, are working on completing audits of 1-9s, personnel files, new hire procedures, training supervisors, and developing procedures to deal with government inquiries and audits.

Julie A. Pace is a partner with Ballard Spahr Andrews & Ingersoll, LLP. She regularly provides guidance on employment matters, OSHA, discrimination, wage & hour, 1-9 compliance, employee handbooks, drug & alcohol testing, conducting investigations, and training to supervisors and employees on a variety of topics. She can be reached at 602.798.5475
Questions and Answers about the Legal Arizona Workers Act
by Julie A. Pace, JD, Ballard Spahr Andrews & Ingersoll, LLP

1. What does the new Employer Sanctions law mean to my business?

Companies are subject to having their license suspended or revoked for knowingly or intentionally hiring undocumented workers, and they may be subject to probation. Companies may have to start using the Basic Pilot program with all new hires before January 1, 2008.

2. Do I use Basic Pilot with existing employees and how does it work?

No, companies cannot use Basic Pilot with existing employees, only new hires. To sign up for Basic Pilot, a company must have a computer and access to the internet. The company would have to sign a memorandum of understanding between the company and the government to use the basic pilot program. The Basic Pilot Program must be used consistently with all new hires. In order to stop using the program, the company must provide 30 days written notice to the Government. There is a procedure that must be followed if a company uses Basic Pilot and then receives a non-confirmation.

3. What should a company do to prepare for the new law?

Companies should audit their personnel files, I-9s, and hiring procedures, as well as provide training to supervisors regarding hiring and immigration issues. Companies may need to modify contract language. Some companies may choose to use leased employees.

4. What are the legal problems with the new law?

The new law has several legal problems as well as ambiguities in the language that must be addressed. The law currently does not provide that a formal written complaint must be made before mandatory investigation or prosecution occurs. It currently is written that anyone can call in and give a complaint. A lawsuit was filed on July 13, 2007 alleging that portions of the new law violate the US Constitution, the Arizona constitution, and federal law. Gov. Napolitano has asked for a special session to fix some of the problems with the law, but the Legislature is reluctant to participate.

New Legislation - What You Need to Know Now to Avoid Problems Later

It all started here - the 2007 CFMA National Conference
Valley of the Sun Hosted the 2007 National CFMA Conference

What happens at the Conference, stays at the Conference!

...the shout heard round the world (nearly) by over 1,200 CFMAer’s at the recently completed Annual Conference held at the JW Marriot Desert Ridge in north Scottsdale. The attendance broke all existing records – surpassing even the Las Vegas conferences! And for good reason... good location, good weather, good programs... and – most of all – a GREAT local Chapter to help organize and plan the event!

As usual, the conference expanded beyond the basic knowledge “building blocks” so crucial to our members – and included preliminary activities such as Chapter Summit V, CCIFP exam (another 28 hopefuls!), and a CFMA instructors’ orientation... plus, as always, a rip roarin’ golf outing at the Wildfire Golf Club!

Our own Bobbi Gurbey sang the national anthem beautifully for the opening session. Educational sessions included a wide variety of track options – Accounting & Finance; Benefits & HR; Leadership & Management; Risk & Control Management; Technology; Heavy Highway & Sub-Specialty. Something for everyone! Speakers were, for the most part, great presenters and extremely knowledgeable in their chosen field. There always are a few not-so-exciting speakers... but after the late nights, you needed a good napping opportunity anyway!

Speaking of late nights – there were many of those out on the lounge patio, visiting with friends, both local and from all over the country. The resort accommodations for “lounging” late into the night were utterly dangerous – these hours seemed much easier to manage when I was in my 20’s, or 30’s, or 40’s or... never mind! The weather cooperated, as those monsoon evenings we had experienced earlier in the month gave way to cool and comfortable outdoor evenings – once the day-time sun melted away over the western mountain landscape of palm trees and Saguaro cacti, and was replaced by star-filled night time skies with a gentle breeze (how romantic – my wife made me write this part)!

The resort was awesome, with some of the best food and service I have experienced since starting to attend CFMA conferences back in the mid 80’s (but that gets back into the age dating thing). Starting with the welcome reception on Sunday, followed by the Monday evening Western Round Up, and throughout all the other meals and breaks, we were treated with great food and service! A word of advice to those that tried line dancing at the Western Round Up – avoid cowboy bars!

Valley of the Sun chapter was, as always, out in force – attendees taking advantage of the educational fund established to defray a substantial portion of the registration cost. Nearly 80 registrants from our chapter attended, and I think I saw most of them hanging out at the aforementioned patio area late into the night.... We did not have an official chapter evening get together as we have in the past due to the high attendance, but several of the group were seen partying pretty steady at Lon’s at the Hermosa Inn, as well as at the Spring Creek gathering at Jillian’s just down the street from the resort.

Hopefully, those of you who were able to attend this year learned the quality of educational offerings and received a strong dose of networking among your peers. This is what CFMA is all about! Plan to attend next year’s conference in Orlando and keep the momentum going!
around the Chapter

It has been six months since this column last appeared. How time flies………

First and foremost, this reporter is thrilled with the results of the Annual Conference held in May at the JW Marriott Desert Ridge. In case you have not heard, the conference broke all records – attendance, financial, and best of all – received the highest reviews of any previous conference. Our Chapter sent almost 80 members – another record – and, based on feedback, a great time was had by all!

Huge thanks go to all the members of the Conference Committee both on the National level and for the Valley of the Sun Chapter. Check out Dave James’ review for more details.

Early in May the 7th Annual Construction Executive of the Year Banquet was held, also with record attendance (almost 200!) and to more excellent reviews. Congratulations to the Best Under the Sun Award winners – Diedre Aldous and Chelie LaCrosse.

And, our outstanding Program Committee continues to amaze this reporter with its schedule of topics and speakers. Surprisingly, a crowd favorite was Mark Minter’s “Day in the Life of a Lobbyist”. And our joint luncheon with ABA, ASA, and NAWIC broke all attendance records again! It was a “SELL OUT”!

Also in May, your Chapter Leaders met with Bill Schwab, CFMA President and CEO; Mike Molaro, Director CFMA Chapter Services; and George Rebeck, National CFMA Chairman, to discuss how the relationship between the Valley of the Sun Chapter and National could be improved. Out of that meeting came several initiatives that have already been implemented by National. Those initiatives include:

> appointing one member from the VOS Chapter to each of the five by-appointment-only National Committees
> providing a subscription of CFMA Building Profits to all Chapter Management Professionals
> initiating educational programs for CFMA staff members to learn about construction financial management (yes, they are clueless!!)
> making a better effort to have personal contact with the “ordinary” member
> revamping the Chapter Recognition Program.

An update was sent to our Chapter in July that all of these issues are being addressed and progress has been made. Again the Valley of the Sun Chapter has led the way to better communication between CFMA National and all of the Chapters around the country.

And we can’t forget two upcoming events you are sure to want to attend…… On the 17th of October, the 22nd Annual ASCPA Construction Industry Conference is being held at the Black Canyon Conference Center. This year, for the first time, the VOS Chapter of CFMA is partnering with the ASCPA to present this valuable educational opportunity to our members. See page 3 and the website for scheduled programs and speakers.

The very next week, on October 24th, CFMA’s 17th Annual Golf Classic, presented by CBIZ Mayer, Hoffman, McCann PC, will tee off at 7:30 a.m. at the Orange Tree Golf Resort. Be sure to look for this reporter making the rounds and surprising some of our “illustrious” participants!!

See you next time with news from around your CHAPTER……

Southwest Contractor’s Best of 2007

Southwest Contractor is seeking outstanding construction projects located in Arizona, New Mexico, and Nevada for its Best of 2007 competition.

Winners will be featured in the December issue of Southwest Contractor and will be honored at the 5th annual awards banquet in December.

The deadline for entries is August 24. If interested, access the entry form at www.southwest.construction.com or contact Scott Blair at scott_blair@mcgraw-hill.com.
CFMA Valley of the Sun Chapter invites you to attend an Ice Cream Social on Thursday, August 30, 3 to 5 p.m.

MacAlpine’s Soda Fountain
2303 North 7th Street, Phoenix (Corner 7th Street and Oak)

MacAlpine’s is possibly the only remaining original soda fountain in Phoenix. The menu claims Wayne Newton was discovered here.

Come enjoy time out of the heat with cool ice cream, great friends, and a lively jute box.

The first round - an ice cream treat and soft drink for each attendee - is on VOS. A sandwich menu is available if you want to stay for dinner (on your own).

RSVP to CFMA-Admin@cox.net with “Soda” in the subject line. Guests are welcome ($10 guest fee). Reserve by Monday, August 27, at noon.
2007 CFMA National Conference

The place to see and be seen

VOS Past Presidents
Marty Garrison and John Corcoran

If you were there, then you remember the general sessions, the exhibit hall, and the CPE classes.