FROM THE PRESIDENT
GRACE SILVA

Relationship Building

I’m excited to be able to write to all of you in my first newsletter as President of the Western Michigan Chapter of CFMA. I feel privileged to be able to be a part of such an active, vibrant chapter and thank all of those board members and leaders who have served before me.

Without everyone’s unique contributions, we would not be the great chapter we are today. When I attended a conference call earlier this year regarding news from National, our chapter was singled out as having one of the best, most up to date websites (thank you Harriet)!!! I am so proud of the work everyone does on our various committees to keep our chapter members informed and engaged.

As I’m writing this letter, I’m preparing to attend my first national conference. I’m really looking forward to re-connecting with individuals I met last fall while attending CFMA’s Spring Creek. The three day seminar gave us the opportunity to not only grow as leaders, but also be able to network with other chapters and share best practice ideas that we could bring back to both our members and our companies. Being a part of CFMA has shown me the importance of relationship building. I recently read a book on emotional intelligence, and the authors speak to the value of relationship building. They state that working on a relationship takes time and effort, but in the end it’s true that no man is an island, relationships are essential, and can be a fulfilling part of life. I’ve seen this happen in my own life over the course of my membership in CFMA. I started out only attending the monthly meetings, but it wasn’t until I began serving on committees and joining a roundtable group that I really understood the benefits of a membership in this association.

CONTINUED
I have made so many connections and friendships with other members in CFMA. There is nothing better than to be able to call someone who uses the same software as you, is in the same insurance program you are, has registered in a state you are going to do business in, etc. and be able to discuss issues together. It is invaluable to have those relationships established and have mutual trust to talk openly together.

I say all this to encourage any of you who may only be attending the general meetings to please get more involved. There are so many opportunities your membership gives you. Find an area that interests you and consider serving on a committee—do you like golf, like planning events, like talking to people about CFMA, we have a committee for all of those! I guarantee you will be rewarded if you take the time to form relationships with your fellow CFMA members!

CFMA Western Michigan Chapter is proud to announce the following 2017-2018 Board of Directors. Special thanks to Jeff Koster for serving on the Board over the past 5 years as Director, Secretary, Vice President, President, and Past President. Your leadership and commitment has been a great contribution to our Chapter!

2017-2018 Board of Directors

PAST PRESIDENT
Jennifer Murphy
Pluene Service Company

PRESIDENT
Grace Silva
Elzinga & Volkers

VICE PRESIDENT
Theresa Sickles
Plummer’s Environmental Services, Inc.

TREASURER
Victor Sturgis
Crowe Horwath LLP

SECRETARY
David Coates
Grand River Construction

DIRECTOR
Scott Bishop
Buist Electric

DIRECTOR
Aileen Leipprandt
Hilger Hammond, PC

DIRECTOR
John Naylor
Top Grade Site Management Contractors

DIRECTOR
Ken Bos
Hylant Group

PROGRAM COMMITTEE CHAIR
Theresa Sickles
Plummer’s Environmental Services, Inc.

MEMBERSHIP COMMITTEE CHAIR
Ann Plummer
Beene Garter LLP
aplummer@beenegarter.com

PROMOTION COMMITTEE CHAIR
Mike Waalkes
Lighthouse Insurance Group
mwaalkes@lighthousegroup.net

Mission:
CFMA’s mission is to be essential to the success and growth of construction financial professionals.
Western Michigan Chapter Announces 2017 Scholarship Winners

Congratulations to our Scholarship recipients who were announced at the General Membership Meeting.

Grace Silva from Elzinga & Volkers, Inc., Jennifer Price from Rockford Construction, and John Koscielniak from Walburg & Associates, were each awarded a scholarship towards attending the 2017 CFMA Annual Conference & Exhibition in Phoenix, Arizona in June 2017, or towards the CCIFP exam. CFMA’s Annual Conference & Exhibition provides focused learning sessions, thought-provoking speakers, a solution-filled Exhibit Hall, and plenty of networking opportunities. For more information visit: www.cfma.org/annual_conference

March CFMA Education Summit

CFMA Western Michigan held an education summit on March 22 at GVSU’s Eberhard Center. There were two options available: an all-day seminar on the Basics of Construction Accounting and an afternoon break-out session. The Basics of Construction Accounting course featured key topics such as construction principles, revenue recognition, job cost system, earned revenue, and industry benchmarks. The afternoon break-out sessions included classes on travel/per diem, health insurance trends and strategies, captive insurance, and revenue recognition and leases. Thanks to all of the presenters and to those who attended!
March CFMA Griffins Outing
CFMA members and guests enjoyed a Friday night at a Grand Rapids Griffins game. It was a fun event, and Griffins ended up with a 5-3 victory. If you have any other ideas for social events, please let us know!

April CFMA Suicide Prevention Summit
On April 25, 2017, Western Michigan, Lansing & Southwest Chapters and Pine Rest Christian Mental Health Services hosted a Suicide Prevention Summit at Pine Rest’s Campus. The summit featured speakers, including Jill Fontaine from Healthy Michigan Men, Bob Swanson from Lived Experience, Bob Vanderpol from Pine Rest Christian Mental Health Services, and Vonnie Woodrick from iunderstand. The goal of the summit was to help the construction industry provide and disseminate information and resources for suicide prevention and mental health promotion. Recognizing the signs, having resources for assistance available and removing the stigma associated with mental illness were all topics addressed.

April & May General Membership Meeting Recaps
April’s meeting featured a presentation on “Fraud, Cyber Crime, & the Bottom Line.” This discussion was presented by Bill Kowalski from Rehmans Corporate Investigative Services. May’s meeting featured a discussion on a Federal Economic Update and the Michigan economy presented by Paul Traub from the Federal Reserve Bank of Chicago.

Thanks to all who attended and special thanks to our speakers!

Reminders
Anyone interested in joining one of our committees? We’d love to have you join! See page 2 for a listing of all of the Western Michigan Chapter committees and committee chairpersons.

CFMA Western Michigan Chapter Mission Statement
As the source and resource of construction financial management in West Michigan, our Association unites individuals having financial responsibilities in the construction industry. We provide a forum through which the Association’s members can meet to network and exchange ideas. We promote and encourage leadership within the construction industry, as well as our Association. We develop and coordinate educational programs dedicated to the purpose of improving the professional standards of the industry and enhancing the value of construction financial managers to their respective companies.

Student Members
We currently do not have any student members and are hoping to increase student involvement by offering an initial free lunch at our General Membership meetings. If you know any students or student groups that may be interested, please email Ann Plummer at aplummer@beenegarter.com
Chapter Calendar

9/28/17 – General Membership Meeting - Roundtable Session
10/26/17 – General Membership Meeting
11/16/17 – General Membership Meeting
1/25/18 – General Membership Meeting
2/22/18 – General Membership Meeting
3/22/18 – General Membership Meeting
4/26/18 – General Membership Meeting
5/24/18 – General Membership Meeting

Membership Update

New General Members:
Britten Docter / Excel Electric, Inc.
Wendy Ferrer / VanLaan Concrete Construction
Glen Vander Well / Infrastructure Alternatives

New Associate Members:
Andrew Miedema / Mercantile Bank
Jason M. Gust / Crowe Horwath LLP
Nate Jones / Crowe Horwath LLP

Welcome to all of our new members. Thanks to those who participated in our member profiles section. We look forward to seeing more profiles in next quarter’s newsletter!

Know anyone who may like to join the CFMA Western Michigan Chapter? Click here for a membership application. Please invite a guest to an upcoming lunch—their lunch will be free! Contact Ann Plummer (aplummer@beenegarter.com) for details.
CFMA Member Spotlight

Welcome to some of our newest members:

Britten Docter  EXCEL ELECTRIC, INC.

1) How long have you been with your company and what areas of the business do you work in?
I’ve been a part of Excel Electric’s team for 5 years now. I work as a business analyst for the company, introducing and migrating new technological and financial structures into current business strategies. I received my Bachelors in Economics from the University of Michigan with congruent courses of study in computer systems and business administration.

2) What do you enjoy most about working at your company?
It’s the mission at Excel Electric that I enjoy most about the company! Management here is dedicated to safety and to providing a place where all of the staff (electricians, estimators, and support staff alike) can learn and continue to develop their skills. The small-company atmosphere is also an envy of many of my colleagues at other companies as well.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
I was initially interested in the metrics that CFMA publishes nationally, but the community of local business professionals became just what I was looking for! I hope to continue to gain new insight as I get to know more members and to be able to contribute myself as well!

4) What is your favorite hobby or activity to do when you’re not working?
I enjoy rollerblading and good coffee! I’m getting married in the early fall, so wedding planning is also on my agenda for this summer as well as getting some time at the beach!

Wendy Ferrer  VAN LAAN CONCRETE CONSTRUCTION

1) How long have you been with your company and what areas of the business do you work in?
I have been working at VanLaan Concrete Construction for 11 years in August. I specialize in the job costing portion, accounts receivable, and supporting the accounting team.

2) What do you enjoy most about working at your company?
Our team at VanLaanConcrete is solid and has unity in accomplishing the goals we make. We get the job done but do not forget how to have fun also.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
The Construction Industry Alliance for Suicide Prevention caught my eye for several reasons. To find out that suicide was one of the top causes of death in the construction industry was alarming. I wanted to be more educated on the matter so I could make VanLaan aware of this tragic problem and to also make awareness of how important it is to be screened for mental health and not be ashamed of it. Another reason was back in 2008, a very close friend of mine died by suicide. I now believe that I am more aware of signs and signals of someone dealing with mental health issues and have resources to help.

4) What is your favorite hobby or activity to do when you’re not working?
I love family time. It does not matter what we are doing, just the fact of being together is what is most important. I also love those wonderful beach days!
Andrew Miedema  MERCANTILE BANK

1) How long have you been with your company and what areas of the business do you work in?
I've worked at Mercantile since 2003 and I specialize in construction, investment real estate, and real estate development.

2) What do you enjoy most about working at your company?
I enjoy the relationships I have with my clients and the opportunity to be a partner with companies in projects that transform our community.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
I'm looking forward to connecting with members of the construction community.

4) What is your favorite hobby or activity to do when you're not working?
I love hiking, camping, running, and spending time with family.

John Gust  CROWE HORWATH LLP

1) How long have you been with your company and what areas of the business do you work in?
I have been at Crowe for almost three years now, 1 year as a part-time team member while wrapping up my Masters in Taxation, and just under 2 years as a full-time team member. I am in our Federal Tax Group in Grand Rapids, and primarily work with Construction and Real Estate companies.

2) What do you enjoy most about working at your company?
I love the team atmosphere here at Crowe, it allows us to collaborate, and really serve our clients to the best of our abilities. Our construction group in particular is a very tight knit unit that does many things in and out of the office together.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
I initially became interested in joining the CFMA West Michigan Chapter to expand my knowledge of Construction specific accounting/financial topics. I am looking forward to meeting other members of the Construction Accounting/Financial community in West Michigan.

4) What is your favorite hobby or activity to do when you're not working?
Outside of work, I enjoy golfing, playing basketball, and traveling whenever I can.
Tips for Negotiating the Consequential-Damage Waiver

JEFFREY S. AMMON MILLER JOHNSON

In most forms of owner-contractor construction agreements, the owner waives its right to collect consequential damages from the contractor. But some owners aggressively oppose such a waiver. Short of losing the work, what is a contractor to do? Here are some suggestions for negotiating a consequential-damages waiver with a reluctant owner.

Stop using the term “consequential damages” in your waiver.
Don’t negotiate over whether to waive “consequential damages”. Why? Because Michigan courts have defined CD much more narrowly than you’d expect. So many of the potentially large damages you seek to avoid, such as lost profits, are not always covered by the waiver.

In Michigan, the courts define consequential damages as damages that arise from the innocent party’s unique circumstances that the breaching party knew about at the time the contract was made.

Under this definition, such things as lost profits and third-party lawsuits from a building collapse would likely not be consequential damages: there is nothing unique or unexpected about a building collapse having the potential for injuring or killing occupants, or for causing an owner to lose profits. So a consequential-damage waiver would do you no good here.

Instead of arguing about whether something is or isn’t a “consequential damage”, negotiate over the specific kinds of damages you expect the owner to waive. To be practical, focus on the two situations where your failure could cause the owner to suffer large losses: (1) late completion, where the owner could claim lost profits, and (2) a catastrophic event, such as a major roof collapse, especially if the roof collapse kills people.

In each of these two scenarios, which categories of damages are you willing to be responsible for, assuming you were at fault? What will your insurance (or the owner’s insurance) cover? Will the owner accept a dollar cap? On all damages, or only on certain kinds? An owner may be more willing to cap out-of-pocket damages for loss of use than to cap your liability for third-party lawsuits. An owner may better able to estimate its temporary relocation expenses than the potential liability from wrongful-death lawsuits. How many millions will Geoffrey Fieger or Sam Bernstein sue for?

Isn’t the AIA mutual waiver of consequential damages good enough?
It is certainly better for you than no waiver at all. But it might not protect you against all of the owner’s lost profits, for example. Even though the AIA waiver mentions lost profits, its odd wording can be interpreted to mean that lost profits are...
waived only if the judge finds that the lost profits are also classified as consequential damages. Be careful here; not all lost profits are consequential damages. If lost profits would be the usual, expected result of your default, then those lost profits would not be consequential damages. The owner could recover them despite a consequential-damage waiver.

**Use your insurance advisor.**

If you don’t already know the specific extent of your liability insurance, find out. And have the owner do the same. Your negotiations will be much more productive if you both have identified insurable and uninsurable damages. If insurable, you’ll discuss who should carry the insurance, who will be responsible for premiums and deductibles, and what limits should be required. This exercise will help you narrow the discussion to risk-sharing of uninsurable losses.

Don’t forget to coordinate the damage waiver you get with the indemnities you give.

Did anyone think to specify whether the damage waiver you receive will apply to your indemnity liability? The AIA’s A201-2007 General Conditions form is no help: not only does its consequential-damage waiver conflict with its indemnity, the form separates these two sections by roughly 20 pages! Could the AIA have made it any easier to overlook the conflict and encourage you to miss the need to coordinate them?

These tips are merely suggestions for approaching an owner who is attuned to the risk of waiving its rights to damages. Use your insurance and legal advisors to help you design a strategy that works best for your company on the particular project at hand.

---

**ARTICLE SUBMISSIONS**

We are currently seeking volunteers from our membership to contribute articles for future editions. If you would like to contribute an article, please contact Editor Danielle Pennings at dpennings@beenegarter.com. Contributions are greatly appreciated!