

Meeting Report



Construction Industry
Round Table

2018 Spring Meeting — Washington, DC

CIRT brought together more than 90 chief executives in what was a high-energy and very informative conference where members and guests received updates from Key Administration officials and policy experts. From legislative, regulatory, major policy matters like the infrastructure initiative, to news on the economy and the business environment, CIRT members were very much encouraged by what they heard. This upbeat mood promoted a very positive feeling throughout the two day gathering; reinforced by the excellent networking opportunities and camaraderie among the assembled industry leaders – reflecting a unique CIRT value.

Tucker Carlson Headlines Meeting



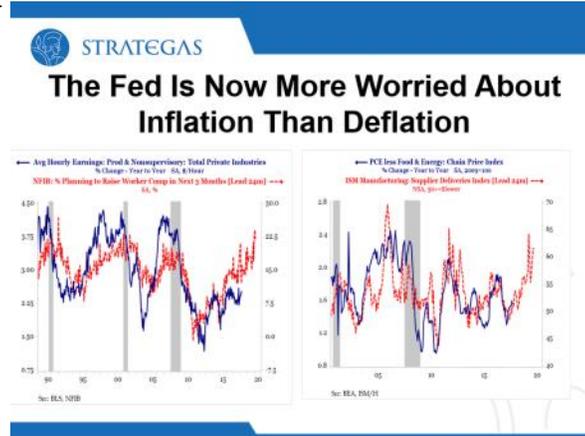
In true fashion, Tucker Carlson brought his signature form of conservatism and intellect and unlike most other, on-air talking heads, Tucker manages to be funny, charming, and poignant, without really trying. Tucker started his remarks by saying “things have really changed since Trump arrived” which caused laughter from a majority of the members, among a number of other many zingers. In all, Tucker set the tone for a more upbeat lively conference that followed.



Trump, Taxes, Tariffs, & The 2018 Midterm Election



Dan Clifton, Head of Policy Research at Strategas Research Partners, LLC in Washington, DC, has become a frequent guest speaker at the CIRT meetings and once again provided a fascinating look into the crossroads of politics, policy and the stock market. With the upcoming mid-term elections later this year, history proves that voters have removed the party in power in 5 of the past 6 elections. But while there are factors that would suggest that this trend will repeat itself, it is not necessarily the case. If you'd like to get a copy of Dan's slide deck, please send a request to jane@cirt.org.



A Conversation with Kevin Hassett

Chairman of the Council of Economic Advisers, Kevin Hassett, participated in an informal conversation moderated by CIRT Chairman-elect Charlie Bacon to discuss economic, fiscal, and infrastructure funding policies.



Hassett began by saying the Trump tax policies are working exactly as intended: "The overhaul of the U.S. tax code is leading to solid wage growth and capital spending," resulting in "capital spending surging because tax cuts were retroactive." Hassett went on to say that efforts on regulatory streamlining, particularly "one agency one decision" should get the permitting process down from 10 years to about 2 year. Also he explained, "with the Administration stopping new regulations in their tracks, it was as if a pressure relief valve had been released in the economy." The Council has found that costs related to new regs are disproportionately higher vs. old regs; noting that from January-August 2017 five million less hours were spent on compliance than in 2016.

Regarding the tariffs on steel and aluminum, of which the uncertainty on prices is a concern for CIRT members; Hassett focused on the overall economics of the policy pointing out that production will likely move from abroad to home, but that it will be a slow process.

Finally, although the deficit are higher than the President would like; the Administration's target of about \$1.5T over 10 yrs. would likely include \$200B in direct federal money. To augment this, "we are clearing the way for private capital" Hassett contended; along with other more flexible and innovative ideas to enhance the federal

funding. These comments dovetailed with the Infrastructure Initiative panel discussion on Wednesday morning, that explored a wide range of issues and possibilities on the table for this critical policy matter.

CIRT / FMI Corporate Governance Research Project



In a packed room, a research team from FMI, in collaboration with CIRT, presented their initial findings of their research on corporate governance which had 133 participants with 40 follow-up interviews. There were four main themes:

1. Leadership Matters
2. Different is Better
3. Fully Tap Director Potential
4. Reorder the Priorities

The final research report and findings will be released in September. Special thanks to Sabine Hoover; Ron Magnus; and Michael Mangum. If you would like to receive a copy of the presentation, please contact jane@cirt.org.

CIRT Elects Charlie Bacon as Chairman



*CIRT Chairman 2018-2019,
Charlie Bacon, President and
CEO of Limbach Holdings, Inc.*

During the Spring Meeting, Charlie Bacon, President and CEO of Limbach Holdings, Inc., was elected as Chairman of the organization for a term of one year. He succeeds Wayne Drinkward, Chairman of Hoffman Corporation.

In welcoming Bacon as the new Chairman, CIRT President Mark A. Casso, Esq., NAC noted, "Charlie puts his full attention and heart into anything he commits to; he will bring a great deal of energy to promoting the interests of the design and construction industry."

"The design and construction industry builds America and CIRT has moved the industry forward on so many fronts," said Bacon. "Through CIRT's education programs with world class speakers and subject matter experts to the sharing of best practices, senior industry executives expand their knowledge base and build lasting friendships. I am very proud to see CIRT support great industry programs such as industry ethics, the ACE Mentor Program, and assisting in the industry's drive to dramatically improve safety. I look forward to this next year working with the Board and the CIRT staff to continue its mission."

The following members were also elected as officers: **Paul Franzen**, President, Barnard Construction, Bozeman, MT as Vice Chairman; Wassim A. Selman, Ph.D., P.E., ARCADIS, U.S., Inc., Atlanta, GA as Treasurer; and Wayne Drinkward, Chairman, Hoffman Corporation, Portland will continue to serve on the Executive Committee as Immediate Past Chairman

In addition to the executive committee elections, CIRT also welcomed the following four industry leaders as new directors who will serve on the board through 2021: **Al Gerhardt**, President & COO, Kraus-Anderson Construction Co.; **Gregory A. Kelly, P.E.**, President & CEO, U.S., WSP; **David Sweeney, P.E.**, CEO, RS&H, Inc.; and **Douglas C. Welling**, President & CEO, Jacobsen Construction Co., Inc.

"CIRT is fortunate to have a dedicated board of such highly regarded industry professionals. We offer congratulations to our new officers and directors, and thank all of our current and outgoing directors for their service to CIRT and its members as well as the design / construction industry" said Casso.

Infrastructure Initiative Panel



CIRT President Mark Casso introduces the panelists. From L to R: Norm Anderson; Neil Bradley; Alex Herrgott and Ferris Hussein.

To close-out the Spring Conference a distinguished panel on the Infrastructure Initiative was assembled with: **Norm Anderson**, President & CEO (CG/LA Infrastructure); **Neil Bradley**, EVP & Chief Policy Officer, U.S. Chamber of Commerce; **Alex Herrgott**, Associate Director for infrastructure, WH Council on Environmental Quality; and **Ferris Hussein**, Managing Director, The Carlyle Group. As noted in the opening remarks the "Initiative has many moving parts . . . with false starts and dead ends likely, before this process is complete," said CIRT President Mark Casso.

One thing that was made clear by the White House representative, **Alex Herrgott** is that there is not going to be a "single" massive bill purporting to spend \$1.5 trillion over next ten years; instead there will be a series of vehicles that will attempt to codify a change in how the U.S. approaches and funds capital investments in our infrastructure.

Alex noted the hard work is creating a new culture inside the federal bureaucracy (with "one agency, one decision" streamlining permitting, etc.) as well as in the states, who actually own most of the physical assets that comprise the

nation's infrastructure to act and think in a more efficient, flexible, and creative manner.

This theme was picked-up by both **Norm Anderson** (who posited that our member firms should expand their own financial strength to undertake work); and **Ferris Hussein** who rocked the audience by declaring "there is no lack of private sector funds to pursue infrastructure projects" with the key being to find the ones that have the right elements for investors. **Neil Bradley** wrapped up the session by explaining that the timing for this initiative is NOW, with efforts to push various pieces of the policy through Congress this year, and to pass a new highway authorization bill in 2019. To that end, the audience was urged to participate in "Infrastructure Week" (May 14-21, 2018), which is intended to heighten awareness for infrastructure needs across the country.



Above, L to R: Dilip Choudhuri (Walter P. Moore & Associates) chats with Al Barkouli (David Evans and Associates) and Grant Beck (Graham Group, Ltd.) Below: Ross Myers (Allan Myers) leads a safety moment of “stretch & flex” before the sessions get underway.



Greg Sizemore, Vice President, HSE and Workforce Development, Associated Builders and Contractors, presented the important topic of “Workforce Development Apprenticeship & Training”. If you would like to receive a copy of Greg’s slide deck, please contact jane@cirt.org.



Welcome New Members

- ◆ James F. “Jay” Fayette, President & COO
PC Construction Co.
- ◆ Harold MacDowell, President & CEO
TDIndustries
- ◆ Brynne Smith, President & CEO
Midwest Asphalt
- ◆ Robert A. “Rob” Strobel, President & CEO
Lithko Contracting
- ◆ Richard A. “Rick” Whitney, CEO
M+W Americas
- ◆ David Alexander, President
James McHugh Construction

In addition to welcoming the new members, we were pleased to have the following guests join us:

- ◆ Les Hiscoe, President & CEO
Shawmut Design and Construction
- ◆ Rich Schrader, Chairman of the Board
American Bridge Company

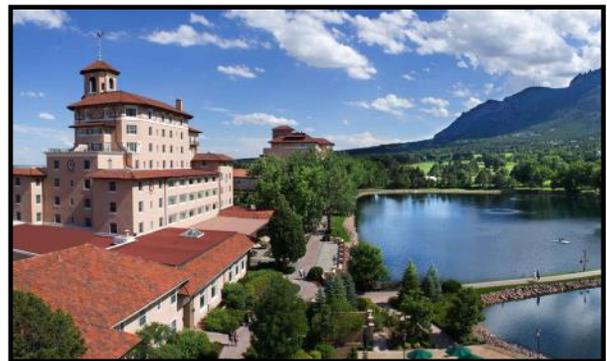
CIRT is pleased to announce that since attending the Spring Meeting Les Hiscoe has officially joined CIRT! Welcome Les!

SAVE THE DATE:

2018 Fall Conference

The Broadmoor—Colorado Springs, CO

October 29—31, 2018



Registration open now—www.cirt.org



Construction Industry Round Table

Celebrating **30** Years