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To: **John J. Smith, Jr.**
Region "E" Vice President
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From: Dick Dentinger, MCAA State Chair
Gary Botzek, Executive Director

Date: January 7, 2008

Re: **MINNESOTA CHAPTER UPDATE**

Economic Climate and Market Expansion

In a just released survey, the Minnesota Chapter of the Association of General Contractors revealed that 51% of the respondents expect to have less work in 2008—up from 22% in 2007 and 14% in 2006. Of those responding this year, 31% expected a decrease in work volume and 20% expected a significant decrease. While 32% of respondents said they thought the amount of work would remain steady in 2008, 17% said they expected the volume of work to increase this year. Of the four industry sectors surveyed, respondents in the transportation were among the most pessimistic, followed by those in municipal utilities and heavy construction. Those in the building sector who are involved in the construction of schools, hospitals, retail, and office space were the most optimistic. 42% said they expected work volume to remain steady.

The Minnesota legislature returns to action in mid-February and are expected to consider a large bonding bill worth close to \$1 billion and is expected to include new money for roads and bridges, as well as new school and public buildings. Construction is underway on two new stadiums; one for the University of Minnesota Gopher football team on campus, and a new Twins baseball stadium in downtown Minneapolis. The I35 bridge construction will continue through the entire year.

According to McGraw-Hill, the construction outlook for 2008 is expected to decline 2% to \$614 billion, following an 8% decline in 2007. They are predicting positive numbers for institutional buildings, school construction, and public works, but are predicting declines in commercial buildings and multifamily housing.

Workforce Development

Bricklayers and Allied Craftworkers Local No. 1 had 201 active apprentices in the fall program. This included 160 enrolled in the St. Paul based metro training center and 36 in the out-state program. Currently the PCC program has 38 active students, including 32 first year students and 6 in their second year. PCC students enrolled in the first year program will be attending 3 consecutive weeks of training starting in the last week of January and continuing into the second week of February. This training will be specifically tailored to the skills that are needed by the restoration professional. The decision to offer the training in this format was made after several meetings with contractors specializing in restoration work.

The current St. Paul based tile apprenticeship program has 68 students. That number includes 17 first year tile

finishers and 16 second year finishers, as well as 25 first year tile layers and 10 second year tile layers. In addition, there are 5 students registered as out-state tile finisher and tile layer apprentices for a total of 73 students in the Minnesota and North Dakota tile program.

BAC Local No. 1 anticipates completing 34 apprentices at the graduation this coming April. Those completions break down as follows: (12) Bricklayers, (6) PCC, (16) Tile Finishers, (10) Tile Layers. There are also approximately 13 apprentices in the out-state program that are in the process of compiling work hours to fulfill all the requirements for the journeyman status.

Through the 10 months of 2007, mason hours for the Bricklayers Local 1 of MN/ND totaled 2,592,000 hours. These numbers reflect a 6.6% decrease compared to the first ten months of 2006. It is a concern that hours worked will continue to slide into the summer of 2008.

April 30, 2008 marks the end of the first year of our current three-year labor agreement with the bricklayers, cement masons, laborers, operators, ironworkers and carpenters.

OSHA and Safety

The most frequently cited safety standard in the construction industry in 2006 was violation of the general requirements for fall protection, according to Minnesota OSHA. State OSHA issued 101 citations during the year for construction fall protection violations. The second most cited construction standard was fall protection on scaffolds above 10 feet with 86 citations. These two major categories reversed themselves from 2005. General duty clause (unsafe working condition) was third with 85 citations—the same as in 2005. Use of sloping or protective systems to prevent executive cave-ins ranked fourth with 61 citations written, down from 85 the previous year. Lack of an AWAIR Program remained in fifth place with 51 citations, tied with head protection violations.

Membership Development

MC&MCA current membership of 127 companies includes 65 contractor companies and 62 associate member companies. We continue to provide our members with a monthly meeting where industry representatives and other speakers are engaged to address our general membership. MC&MCA can be reached through the internet at www.mcmca.com. We provide a link to MCAA's web site, as well as other state and national concrete and masonry sites. MCAA membership includes 14 Minnesota contractors.

International Masonry Institute Activities

The centerpiece of IMI's promotion program continues to be education. This past year, 25 box-lunch programs were conducted, reaching nearly 600 architects, engineers and building officials. In addition, 242 people attended last fall's IMI sponsored program at the AIA Minnesota Convention. The program, "Energy-Efficient Masonry Walls" was presented by IMI's Director of Program Development, Maria Viteri, AIA, and focused on the sustainability benefits of masonry construction. The Masonry Design series at the University of Minnesota drew 537 people over the six-session program, teaching engineers' proper structural design of masonry.

IMI also conducted major presentations for specifiers (CSI members), architecture, and drafting students. High school teachers attending the Minnesota Concrete and Masonry Academy, jointly sponsored by all the related Minnesota organizations, helps industrial arts teachers learn to teach a unit in masonry and results in representatives of Local #1 MN/ND to visit schools in their recruiting efforts.

Increasing numbers of architects and engineers are taking advantage of the continuing education opportunities provided by IMI and craftworkers are also seeing the benefit in continuing education. BAC Local 1 MN/ND is presenting numerous journey-level upgrade classes for their members and two of these carry special IMI certifications. Two classes in Grout Placement have now been conducted, with more

planned for the future, and the first Flashing Installation class will be held February 15. Once a “critical mass” of certified journey-level workers is established, IMI will begin using that designation as a marketing tool with architects and engineers to help build their confidence in union skill and training.

IMI/BAC conducted its quadrennial Apprentice Competition this fall, with two Minnesota apprentices qualifying for the nationals. The event was held at IMI’s new International Training Center in Bowie, MD. The stone contestant, Eric Brichacek, place second at the national event.

IMI continues to work with allied organizations in Minnesota to complete some valuable market research involving architects, engineers, building owners and managers, and construction managers with the goal of establishing a communications plan designed to promote the structural attributes of concrete masonry construction. The “Gray Block Committee,” as it is called, has representatives from IMI, MC&MCA, MCMA, and BAC Local 1 MN/ND. Once complete, the report will guide the way toward the correct media to use, and the best message to send. It is anticipated that the communication program could be implemented as early as this spring.

12th Annual Masonry Academy held in ‘07

This past summer, partners from the masonry and concrete industries coordinated the 12th Annual Minnesota Masonry & Concrete Academy. The Academy, held at St. Cloud State University, located in central Minnesota, once again targeted technology education teachers in an effort to expose them to masonry and concrete in their preparation of high school classroom activities and career options. Attendees totaled 12 this year. Their training included tours of a block plant, cement plant, a brick plant and a construction site. Trainers at the Academy were volunteers from the Bricklayers Local #1 MN/ND and included Apprenticeship Coordinator Mark Wickstrom, as well as field staff. The MC&MCA participated in an industrial arts teacher’s trade show in September of 2007 and signed up a number of high schools for classroom presentations, Career Days, and hands-on activities in high schools.

26th Annual Excellence in Masonry Contest

2008 marks the 26th annual Excellence in Concrete & Masonry Construction and Design contest! Around 40 masonry and concrete building projects were entered and judged last fall. Winners have been selected and notified. The awards ceremony will be part of our two day convention in mid-March. Last year the winning 12 masonry and 4 concrete project winners were featured in a four-page, five-color insert in the annual AIA directory, as well as featured in the *Construction Bulletin*, a local construction publication. In addition, photos of our winners are scanned into our web site to “showcase” them to architects, owners, potential members.

Goals and Objectives

MC&MCA’s #1 goal for 2008 is to implement the new Midwest Masonry Promotion Council, through which all players in the masonry industry can and will work together to form, fund and support a masonry advancement fund and promotion council modeled after similar models across the country. The MC&MCA will continue to work with the architectural community in the design process to encourage more masonry and concrete projects in the construction field. We will also continue to work with the unions on employee recruitment and training. Other goals include providing programs and other membership services that our members want and deserve. We will continue to work with the MCMA and the IMI to better coordinate, partner and cost-share programs and projects of interest and value to the masonry industry.

The MC&MCA continues to promote a strong, positive image of our products and services, our members, our association, the MCAA and the masonry and concrete industry in general!