

2019 BAM SUMMER BOARD MEETING

BAM Programs & Operations Update



Association Statistics: as of June 30, 2019

- Members: 1,765 (B-535; A-1,183; AF-22)
- Member Employees Statewide: 42,270
- 12 Affiliated Local Associations
- State Dues: \$195
- 2019 Legal Action Assessment = **\$0 assessment**

2019 BAM Executive Committee

- Steve Noble – Builder Vice President (Noble Custom Homes / CMBA)
- Howie Zetah – President Elect & Government Affairs (Zetah Construction, Inc. / HBA)
- Gerry Traut – Builder Vice President (Xcel Energy / MMBA)
- Jody Keppers – Associate Vice President (Keppers Design / ABA)
- John McGuine – Treasurer (J & M Consulting / RAB)
- Ron Euteneuer – Secretary (Great Northern Environmental Solutions LLC / CMBA)
- Terry Hammack – Immediate President & BAM-PAC (Anderson & Hammack Construction / ABA)

2019 NAHB State Representative

- Kurt Welker (Welker Custom Homes / SCBA)

2019 BUILD-PAC Trustee

- Steve Noble (Noble Custom Homes / CMBA) Alt: Joe Weis (Weis Builders / RAB)

OPERATIONS & BUDGET

Budget, Staffing, Government Compliance: BAM's staffing and budget remain consistent and stable. Terry Hammack, Immediate Past President, convened the BAM Revenue and Deliverables Working Group to review BAM's structure and deliverables. The group met three times since the last BAM Board Meeting and includes Terry Hammack, Mike Paradise, Ben Edwards, Steve Noble, Kal Torkelson, Ron Euteneuer, and Chelle Eliason. The group proposed three revenue options – the \$30 dues increase previously noticed, a five-year assessment proposal, and a franchise fee model.

Currently, BAM has two full time staff – Priscilla Conway and Remi Stone. BAM continues to work with its contract lobbying team of Brian Halloran, Andrea Perzichilli, and Larry Redmond of Redmond & Associates, codes consultants Ed VonThoma and Craig Oswell, and accounting and tax compliance support team of Smith Schafer.

BAM successfully filed its Campaign Finance and Public Disclosure Board filing for BAM's spring lobbying activities and the year-end BAM PAC reports. Due to delayed 2018 dues payments and mis-coded LAC payments, the filing of BAM's 990 (annual tax return) has been extended. I expect the filing to be complete within the month. BAM's ERISA Form 5500 was filed in May. BAM's Directors & Officers insurance has been renewed along with an audit with our insurance representative to make sure BAM has sufficient property, casualty, and workers compensation coverage.

BAM is converting the **Legal Action Fund** savings account into a CD Ladder where 1/12 of the fund will renew every month leaving approximately \$15,000 in an operating checking account and \$45,000 in a money market account in order to preserve liquidity while better leveraging the principle of the fund. The fund currently has \$362,660 in assets.



ASSOCIATION HEALTH PLAN (AHP)

BAM is working with Chad Kunkel, Kunkel and Associates. This is the group that assisted the Home Builders Association of Iowa when creating their association offering (not yet fully launched). A member survey was completed earlier this year and nearly 200 members responded triggering a threshold for further exploration in the viability of an AHP. Currently, the potential insurance carrier, United Healthcare, is reviewing BAM's bylaws to verify whether the bylaws will need to be amended to fit within the AHP law. Once that work is done, underwriting work will begin to identify various possible plans and rates. This effort is slow-moving, and BAM does not have an estimate regarding potential non-dues income. Iowa's plan is new, so we are without a financial benchmark from our southern neighbor.

ADVOCACY

2019 Legislative Session: The 2019 Legislative Session adjourned on May 20th only for the Governor to call the Legislators back for a special session later in the week. Having completed their budget work, the Legislature is scheduled to re-convene on Tuesday, February 11, 2020.

It was a highly productive year for BAM. The organization successfully passed several pieces of legislation and killed a handful of onerous bills. Below is a portion of BAM's 2019 legislative work product:

Construction career development

- Career counseling in high and middle schools became law.
- A study to identify paths for youth experiential learning on residential construction sites passed into law.
- MN Workforce Scholarships were increased – the construction industry will primarily benefit through its targeted efforts on welding.

Licensure

- Business management coursework became a required single-hour for licensed residential contractor continuing education.
- Unlicensed individuals will face increased sanctions as DLI's enforcement authority was expanded.
- Licensing of solar contractors was discussed; it did not pass.
- Allowing licensed residential contractors to conduct radon testing was discussed; it did not pass.

Contractor Recovery Fund

- \$1,000,000 approved for a consumer awareness campaign targeted to promote the benefits of hiring licensed contractors and to educate consumer about the dangers of hiring unlicensed individuals.
- DLI will be hiring an employee or two to work in non-code administered jurisdictions and areas where unlicensed activity has been identified.
- Raiding the contractor recovery fund to pay for damages caused by unlicensed contractors was defeated.

Codes

- **Stretch energy code initiatives were defeated.** This will be back in force as advocates are actively expanding their coalition.
- An initiative to allow border cities to opt-out of the building code was stopped.
- Mandatory gas fireplace disclosures did not pass.
- Increasing the height of a building before window cleaning anchors are required was introduced but did not pass. Several code officials support this idea, too.
- A state building code stakeholder review-for-repeal panel was discussed; it did not pass.
- The \$1,000 cost of housing increase per code provision idea was discussed; it did not pass.
- A prohibition on mandatory fire sprinklers was introduced; it did not pass.



BUILDERS ASSOCIATION of MINNESOTA

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Housing Policy

- Several millions of dollars have been appropriated for affordable housing; however, the housing investment tax credits did not pass into law (this was designed to assist private housing investors to create lower price point housing).
- A Legislative Commission on Housing Affordability was formed to make recommendations to increase affordability and access to homeownership.
- Senate Select Committee on Home Ownership Affordability and Availability was formed. It's first meeting will be August 13, 2019.

City Consultant Fees

- Applicants applying for a city permit, license, or other approval related to real estate development or construction may ask for a non-binding estimate for cost of the city's third-party consultants (engineers, other design professionals, etc.), if the city engages them to work on such applications.

2018 Codes: Only four of the 2018 ICC with MN Amendments proposals have been published by DLI for comment – 1300 Administration, 1303 Simplified Wind Loads, 1311 Existing Buildings, and 1341 Accessibility. The IRC and IECC have not yet been published. Regarding the IECC, DLI is still waiting for the federal government's final declaration on the energy code. **Rumor** has it that dishwasher air gaps **may** be removed from the code.

The good news regarding the IECC is that, consistent with BAM's advocacy, the DLI is recommending **NOT** to **adopt** amendments to Minnesota's Energy Code that would have required **continuous insulation** on residential structures. BAM will be meeting with Commissioner Leppink to share with her in person a letter prepared to express our support of this decision.

POLITICAL ACTION

BAM-PAC: BAM-PAC has \$12,600 in available funds. A handful of post-session bi-partisan contributions have been made to legislators and caucuses with additional contributions to be made closer to 2020. A fundraising campaign that began in early 2019 continues to grow BAM-PAC's resources. BAM-PAC is fortunate piggy-back on local association's summer events to raise money. Thank you to our locals!

BUILD PAC: NAHB's BUILD PAC staff is working with Minnesota's Trustees and BAM staff. CMBA's Jane DeAustin and Steve Noble joined me in Detroit Lakes to present to Congressman Peterson a BUILD PAC check. A similar presentation will be made to Congressman Emmer on August 23 at CMBA's offices.

FUTURE EVENTS

SAVE THESE DATES!

The **NAHB Fall Leadership {Board Meeting}** is scheduled for [October 22 – 24, 2019 and will be held in New Orleans, LA.](#)

The **BAM 2019 Annual Meeting, Board Meeting, & Holiday / 45th Birthday Party** is scheduled for [Wednesday, December 18, 2019 and will be held Can Can Wonderland, 756 Prior Ave. North, Saint Paul.](#)

The **2020 NAHB International Builders' Show and IBS Leadership {Board} Meeting** is scheduled for [January 21 - 23, 2020 and will be held in Las Vegas.](#) BAM's assigned hotel is Paris.

The **2020 Day at the Capitol** event is scheduled for [Wednesday, March 11, 2020 and will be held at Christ Lutheran Church on Capitol Hill \(across from BAM's office and the Minnesota Senate Building\).](#)

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