



BOARD OF DIRECTORS MEETING MINUTES

**October 23, 1999
Kansas City, Missouri**

Attendance

Regular Board Members: Mike Ruede, Ken Cloyd, Sid Ketchum, Jim Irvin, Steve Yoder, Keith Kinser, Stan Sias, Pat McGowan, Dwight Hikel, Tom Nomeland, Scott Arquilla, Eric Lundquist, Michael Balliet, Richard Brown, Mary Pat Keller, Roger Gibbs, John Hubbard, Jim Thomas, Jack Dermer, Glenn McClendon, and Steve Batchelor.

Associate Board Members: Bill Loeffler, Al Hopkins, Jim Watson, Gregg Renner, and Tom Manenti.

Past Presidents: Staton Douthit, Lenny Sylk, and Merle Nett.

Other Component Manufacturers: Don Groom, David Wulbrecht, and Jerry Vulgaris.

Other Suppliers: Ron Donnini, Helen Griffin, Keith Dietzen, Michel Beauchamp, Staton Douthit, Jim Wohlert, Gilles Gaudreau, Clyde Wynn, Andy Schwitter, Jim Kaake, Cathy Marx, John Rushton, Mark Crawford, and Mike Bugbee.

Staff in Attendance: Kent Pagel, Kirk Grundahl, Jay Edgar, Mary Ellen Smith, Rachel Smith, and Suzi Grundahl.

Welcome, and Introductions

Roger Gibbs opened the meeting at 9:14 a.m. and welcomed everyone. He asked for introductions around the table.

Results of Board Elections

The President-Elect is Mary Pat Keller and the Secretary is Mike Ruede.

Richard introduced the new Board of Director Regular Member Representatives. Tom Nomeland and Ken Cloyd are the new At-Large Board Representatives. Newly elected Chapter Representatives are Barry Dixon, Stan Sias, Jack Dermer, Dan Holland, Dwight Hikel, Jim Irvin, Eric Lundquist and Roy Schiferl. New Associate Member Representatives are Jim Watson, Bill Loeffler, Gregg Renner, Tom Manenti, and Al Hopkins.

Review and Approval of Previous Minutes

MOTION TO APPROVE THE AUGUST 1999 MEETING MINUTES. Motion by Richard Brown. Second by Scott Arquilla. Motion passed unanimously.

Treasurer's Report

Mary Pat Keller gave the report. There was discussion about the termination of CNA's insurance program. Thus, some of our budgeted income is not there. Also, the bond market has been down for the year. We have been encouraged to keep our investments as they are. We are still \$4,200 ahead of our budget. By the end of the year we should still be \$63,000 ahead of budget.

MOTION TO ACCEPT THE TREASURER'S REPORT. Motion by Keith Kinser. Second by Scott Arquilla. Motion passed unanimously.

Past President's Council Report

Richard Brown reported that Past Presidents had not met since the last Board meeting. They will be meeting in Houston in November. He will give a report at the February Board meeting.

BCMC Report

Mike Ruede reported that we had an all time high attendance with 2120. The preliminary gross income amount is \$652,562 (we had budgeted \$610,000). We expended an additional amount of \$13,000 for additional exhibit hall space. The preliminary amount of net income to WTCA is currently projected at the sum of \$314,000. This is after payment of all management fees and show expenses. Most general comments were that the show was good. Based on the floor layout, it felt less crowded, even though there were more attendees. We will change some things next time the show is in Kansas City. Overall, the BCMC Committee felt like it was a good show.

The Executive Committee met with Knight Enterprises yesterday. WTCA is taking over entire show next year and beyond. We parted friends and anticipate no problems.

Planning for 2000 is well under way. Contracts are signed in Milwaukee. The Committee members are: Mike Bugbee, John Rushton, Jim Watson, Jerry Vulgaris, Mary Pat Keller, Andy Schwitter, Tom Manenti, and Ron Donnini (Chair).

Roger thanked Mike and the rest of the BCMC Committee for the successful show.

SFPA Presentation

Al Hopkins is chair of the SFPA Board for 2000. He reported that SFPA wants to create a strategic alliance with WTCA. Their goal is to increase the use of Southern Pine lumber. Components present the largest growth opportunity for SFPA. SFPA has furthermore offered help with future WTCA chapter summits.

Al explained the Formosa Termite issue. In Louisiana, the problem could ultimately lead to truss manufacturers having no alternative but to use treated lumber. There are not enough kilns, however, to treat all the lumber.

Kirk said that with KDAT, you have to use stainless steel (or other) plates. This affects our industry beyond just lumber. Mike Bugbee said that there are other treatments that are even more caustic. All structures in Hawaii must use treated lumber.

SFPA has a CD that has hotlinks to their website, so that the latest information on SFPA's progress can be obtained.

Al commented that the lumber industry had a great first half of the year and good third quarter. Since then, prices have retreated. Right now, there's over-capacity in the lumber industry. It is unknown if it's a seasonal effect. Interest rates have begun to creep up a bit. There is no big change in the underlying demand for lumber. Next year's election will help. The macro-economy is still in great shape. Interest is not at a dangerous level. He thinks supply/demand will push prices back up a bit.

Lumber Supplier Update

MSR

Jim Kaake reported that the MSR Lumber Producers Council Workshop is scheduled for May 1-3 in Quebec City.

CWC

Gilles Gaudreau reported that the Canadian Wood Council is having its meeting this weekend. Eastern Canadian production is still alive. There have been some more lumber mill closures in Canada.

WWPA

Kirk said that the Western Wood Products Association's new president is Michael O'Halleran. They met to talk about issues. We don't know what direction it's going at this point. There is certainly an opportunity for them to become more involved in WTCA activities.

AF&PA/AWC

Kirk said there was some difference of opinion between the American Wood Council and the NAHB Research Center with regard to the Design Guide produced by NAHBRC. We worked with Dave Gromala and Jay Crandell to get some common ground, and we believe we were able to assist in providing a positive outcome to this issue. There is a strong working relationship between both those groups and WTCA. We are finding that Dave Gromala is taking a strong leadership role in Weyerhaeuser on behalf of finding common grounds in the industry.

APA

Cathy Marx reported that SFPA is continuing a strategic alliance with APA on certain issues. An example of this is the termite issues.

TPI Update

Tom Manenti reported that TPI is now a certified inspector of **WTCA QC**. Kelly Gutting of TPI will be assisting WTCA with teaching three TTT courses in 2000. She will first attend one session to become familiar with the course program. With regard to the copyright agreement for WTCA 1, it is now in the hands of WTCA for legal review. On November 8, TPI TAC will meet to discuss ANSI/TPI 1 and ANSI/WTCA 4. Comments have to be judged as being persuasive/nonpersuasive, etc. The next TPI Board meeting is scheduled for December 6 in the Tampa area. One item on the agenda will include the election of officers for next year.

Roger Gibbs said that we have been in correspondence with President Cotanda requesting that when a president of WTCA attends TPI Board meetings, that WTCA's Executive Director be permitted attend as well. We hope TPI accepts this request.

Other Updates by TPI Members

Ron Donnini and John Rushton both expressed gratitude for being asked to serve on the BCMC Committee this year.

SBCMC Plan

The SBCMC plan came out of the Past Presidents meeting in Portland, Maine last year. They recommended that we look at our future and identify needs and opportunities. Out of that

meeting, a Strategic Issues Subcommittee was formed, and they developed the SBCMC concept to present to the WTCA membership. Roger requested discussion from the Board. He asked if it was time to change WTCA's name, or to create an umbrella organization over WTCA whose mission statement sought to promote more products than just wood trusses.

Mike Bugbee asked for clarification. Kirk said that our focus is on component manufacturers, and the products that they manufacture and distribute. Mike asked if STCA would be a subset of WTCA. Kirk said no. Some members would be part of only WTCA, and some would be members of both. The challenge was the possibility of divisiveness between those who fabricate only with wood and those who fabricate both with wood and steel. There is overlap of issues. Wood does not compete with steel. There are differing issues (termites for wood, thermal for steel). We must focus on adapting to the needs of our customers. At the BCMC presentation, the keynote speaker from NAHB stated that raw materials other than wood could be used.

Tom Manenti said that he could get on both sides of this issue. There may be some steel-only people who don't see this as a workable issue. Because the termite is a wood issue, it is a steel solution. These steel folks could split off at that point. Once this would be formed, steel could end up requiring more thrust of the overall SBCMC? How do the wood truss folks who are a part of WTCA feel about that?

Kirk said that that is more of a mechanics issue, which the Strategic Issues Subcommittee has not yet worked through. For example, two steel truss producers who are now members of STCA would have preferred instead to become part of WTCA, but that opportunity didn't exist. They are more focused on components than the raw material out of which the component is manufactured.

Lenny Sylk stated that WTCA needed to decide who we are and what we want from the association. We need to deal with macro, not micro issues. We want to sell our products to the industry. Anything that comes under that should be covered under our association. NAHB has several associations under their umbrella. At the same time, as one larger organization they have clout to accomplish what they want to accomplish. We should have one association that sells components to the industry.

Al Hopkins said that he thinks it makes the most sense for the mission of the organization to include raw materials in addition to wood. He thinks that there are common issues that an umbrella organization would be more effective at addressing. Al indicated that as a lumber company employee, he likes to see the word "Wood" in the WTCA name, but he believes it is naïve to assume that "Wood" is all that the association is about. In Al's opinion, one of the factors in the misperception that currently exists is the use of the word "Wood" in the trade association's name. He said as a businessperson, "I would be stupid to say I wouldn't sell wood to someone if they used steel."

Keith Kinser asked for clarification on how membership will work, etc. For example, will anyone who is a member of the subgroup also be a member of SBCMC? Another example, will a member of SBCMC automatically be a member of either one or all of the subgroups?

Kirk said that these are questions of mechanics, which have not yet been addressed. Kirk also suggested that we take a look backwards to the origin and history of WTCA. In 1965 or 1996 we were the Component Manufacturers Council (CMC) of TPI. In 1983, we changed the name CMC to WTCA. Through SBCMC we are simply going back to a name quite similar to the one that was used years ago. Developing the mechanics and effectuating the transition will take some time. For example, we are currently waiting for the review and comments of the Past Presidents who will consider this matter at their upcoming meeting in November.

Roger Gibbs stated that two years ago when the idea of forming a trade association for steel truss manufacturers came up he did not support it. His view has changed since then because his company has changed. He no longer considers his company as a wood truss manufacturer, but instead he views it as a component manufacturer. He asked the other component manufacturer representatives in the room to express their views as all opinions on this topic need to be considered.

Dwight Hikel said that from a macro point of view, SBCMC is a good concept. NAHB has 30 councils for all interest groups, etc. This gives them greater "horsepower" or industry clout on national, state, and local issues.

Mike Ruede said that A-1 has been manufacturing steel trusses for three to four years. He said that he could not recall one job where steel took a job from wood. They are completely different applications. Steel trusses are mostly used in commercial buildings due to fire code issues. On these types of projects steel trusses are specified. In A-1's case, their larger customers came to them and asked them to start building steel trusses. A-1 did this to make sure these companies would remain their customers. This issue is not a wood or steel issue. The substance from which the components are built should not and in reality does not matter.

Scott Arquilla said that Best Homes does not build steel trusses, but he finds it intriguing. He has not seen a big enough demand to get into this market yet. Scott said that the SBCMC concept is the way to solve a lot of problems. From a WTCA point of view, we do not give up a lot by having it. We gain insight from other manufacturers of steel who can help us. The common goal is that we sell components. We want to sell more components. I don't care if I'm selling wood or steel should the need arise. This is the route we need to go.

Tom Manenti asked for clarification about why STCA (Steel Truss & Component Association) is on the chart, but not WIJMA (Wood I-Joist Manufacturers Association). Kirk said that WIJMA is manufacturers of I-Joists – Trus Joist, Georgia-Pacific, Boise Cascade, etc. The SBCMC would be for component manufacturers that distribute I-Joists.

Jim Thomas stated that with the common issues that wood truss fabricators and steel truss fabricators face alike, e.g. bracing, design responsibilities, increasing regulation at all levels, etc. we will all be better off with the SBCMC concept.

Lenny Sylk said that this is an identity issue. We are component manufacturers for the industry, not just wood component manufacturers. Our interests are not becoming diluted; we are getting greater opportunities. None of us are going to do everything. We need to realize where our position in the industry is. This new structure suits better where we are and where we're going.

Staton Douthit said that he served as the first president of WTCA, and would not mind letting go of the name to serve the industry.

Michael Balliet asked if WTCA would keep its name under this concept. Kirk said that we are listening to our members, Board members, Executive Committee, and Strategic Planning Committee and that yet needs to be decided in the future. The long-term goal is to do whatever the group thinks makes the most sense.

Richard Brown said that when he got into the business, he thought he would just build roof trusses and floor trusses. Today, he also distributes other products. Our markets are expanding, and we need to service our customers. We need to look beyond our original objective with WTCA. Whatever form or name it takes, that is where we have to go. He does not build steel trusses. If a customer asked, he would find someone who would or could in order to satisfy the customer's needs. The name does not matter. We are miles away from where we were when we created the name. WTCA was a smaller organization; we are much larger now.

Mary Pat Keller said that when she thinks about WTCA, she wonders how many years ago we decided we would distribute I-Joists, which directly compete with trusses. It's not controversial now.

Jim Irvin said that at a recent North Carolina Chapter meeting, there were some questions about this concept, and they got through them. It is tough for older companies to think about new product lines. We have things we prefer to do. If the customer has a need and wants us to deviate, we are not going forward if we say no.

John Hubbard said that we are discussing what we are bringing to the marketplace. When an architect or engineer comes to him, they ask questions. He does not have a degree on the wall, but he creates a peer to peer relationship. If someone comes to ask about building with wood or steel, he is bringing his expertise about how to accomplish it. We as a body have created part of an industry that has been very valuable to the marketplace in the U.S. and the entire world. As this marketplace comes to us, they are asking things from us we do not have yet. They want our knowledge, which can cover the whole gamut.

Don Groom said that Stark Truss only builds a few steel trusses; mostly wood. Our company supports this kind of a structure. His company's goal is to offer the best solution for their customers. We attempted to do this several years ago with framers, and it didn't happen. In the future, it will be a complement to wood trusses, not a competitor.

Jerry Vulgaris said that his company, Reliable Truss, is a small fabricator and they do not build steel trusses. The SBCMC concept seems to be the way to move forward. The mechanics are very important and could lead to a rough road. With the people we have we, we can do it. He asked why other products besides trusses were included on the flowchart.

Kirk said that our members distribute/sell these products. Many truss manufacturers supply what their customers want: rafters with OSB, plywood, etc.

Keith Kinser said that as I've listened, everyone seems to agree that this is the basic direction that this industry needs to go. He questioned what we need to do at this meeting. Do we need to form a new committee or authorize staff to go in a specific direction?

Roger said that what we want today is to reach a consensus. We can then go further with the plan we have to form additional committees or take issues back to the Strategic Issues Subcommittee.

Kirk suggested that we start with the Past Presidents. Much of the foundation for the proposed SBCMC originates from discussions with the Past Presidents in 1992. After receiving feedback from that group, we can then move forward to the next step.

We will furthermore introduce the concept in **WOODWORDS** so that every member is aware of where we are going. We will further discuss these issues at the upcoming Chapter Summit meetings.

Dwight Hikel said that the topic was addressed at the last WTCCA meeting. There were many misperceptions. How we communicate this in the future is very important.

Stan Sias said that at the Northeast meeting in September there were 20 members present. We had a unanimous vote to do exactly this. As far as the Northeast, we are on the right path.

Roger said that the Iowa Truss Manufacturers Association is the same way.

Smart Components

Kirk said that this topic got convoluted with the Steel Truss & Component Association. Eric Lundquist suggested that Smart Components is the wrong name for this project. The project is research of nonlinear analysis of an entire building, and we undertook it for permanent bracing reasons. This is similar to the development of PPSA. In November **WOODWORDS**, we reiterate what it **is** and what it **is not**. We have no plans to get into software development.

We are assessing our next step with respect to this project. We need to also hear from the lumber companies and the plate companies with respect to our request that they help fund this research.

Phase One of the Smart Components program will get us through the permanent bracing challenge. Steve Cramer can now predict buckling of a truss in three dimensions. We must now look at how to resist that through connections. We will furthermore need to do verification tests and compare model predictions with actual results. Last week we had a discussion with Jay Crandell of the NAHB Research Center about the full building tests they are performing. He is willing to give us that data. We only need to tell them how they want the buildings instrumented. After receiving this data, we will be able to understand much better than we could have before. Phase Two of the Smart Components program will involve a lot more testing of a variety of different systems.

Certified Carpenter Update

This is a joint program with the NAHBRC. It is PATH funded. Thus far, we have drafted up a series on header applications. The brochure we prepared depicts how a header goes together, nailing patterns, etc. The goal is similar to our Truss Technology for Builders Series to use pictures to avoid language difficulties. Eventually we will be able to develop a Power Point presentation and make this interactive.

We are working with the Homebuilders Institute, which developed the name “certified carpenter.” They took apart each segment of the framing process. They show labor/man-hours for each of the framing processes, including how to set trusses. The data is very useful. We are potentially going to work on a book with *Fine Homebuilding* on this process. We believe this will help solve many bracing issues and ultimately reduce construction related defects.

Connector Industry Update

Bill Loeffler reported that there has been additional consolidation in the hanger industry. Advanced Connector Systems and Cleveland Steel Specialty have joined with American Standard Connections.

I-Joist/LVL

Gregg Renner reported that the WIJMA group met last week. They have completed quality control guidelines for manufacturing. They are trying to get this to be a part of code acceptance. For the industry, there has been a lot of consolidation on several fronts. We expect this to continue with the inevitable turn down in the community. The Macmillan/Bloedel merger with Weyerhaeuser will be finalized. Trus Joist will decide in November on its option and he can't speculate what they will do. They are optimistic about the process and feel good about Weyerhaeuser's process in it.

Roger asked if there was any resolution about the Chicago fire issue. Gregg said that it is an uphill struggle. There is nothing significant to report on this topic.

Business Insurance Update

Scott Arquilla reported that the business insurance subcommittee met yesterday with Bob Bush. He announced at the last meeting that CNA had terminated its program with WTCA. As a result, we asked Bob to seek out a new insurance company with which we could form a relationship. At this time Bob has narrowed his search to two insurance companies, AIG and Lumbermens Underwriting Alliance. Bob anticipates that Lumbermens Underwriting Alliance in Boca Raton will be forwarding a proposal in the next two weeks. Steve Yoder asked why CNA backed out. Kent Pagel said that they have lost money on their association programs, especially in the area of workers' compensation.

Dwight Hikel said that one important issue that interests Lumbermens Underwriting is that they see us as the high-tech arm of the lumber industry, the “white collar” of lumber.

NAHB Funding

Kirk said that as an association, we have committed \$100,000 to NAHB over four years (\$25,000 each year). We need a Board vote to continue with the third year of funding. Last year we decided to re-direct our funds to the NAHB Research Center rather than NAHB, and we believe that we have received great value from this.

**MOTION TO PROVIDE \$25,000 TO THE NAHB RESEARCH CENTER IN 2000.
Motion by Mike Ruede. Second by Mary Pat Keller. Motion passed unanimously.**

WOODWORDS Update

Kirk reminded everyone that we are always looking for articles—and this includes suppliers. One restriction however, we do not plan to publish any advertorials. It is furthermore important that we publish only relevant content.

Tom Manenti praised *WOODWORDS*. He suggested that we not have everything in one issue focus on the topic. People may like more variety.

1999 Priorities

Kirk listed key priorities on the screen and discussed some key points.

- In 94-95, QC was the number one priority. The more data we get on the lumber side and TPI side the more we can feed the data back into the process.
- In 1999, our involvement with the NAHB Research Center has really paid off.
- The priority of assessing the accuracy of design methods has been languishing in TPI. We are looking for guidance from TPI and our members to bring information to the table and back to TPI.
- In 1998, we focused more on our chapters. They have been and continue to be a focal point. Educational slide scripts have been completed, as worked on by Rachel. Graphics are now on CD. We will supply chapters with a computer and projection unit.
- In 1999 we continued to invest heavily in chapters. WTCA 1 has been expanded. We furthermore witnessed 120 companies participating in our bi-annual Financial Performance Survey program.
- ANSI/TPI 1. We made lots of comments as an industry.

- Sprinkler testing: done. We will do a brochure on it.
- Scott Arquilla mentioned the October issue of *Builder Magazine*, where there was a fire article where we were treated fairly. Kirk worked on this. Kirk did a presentation for them, and gave them our materials. They now have a resource for information. We've worked also with *Professional Builder*.
- Mary Pat thanked the plate suppliers for their support. Rick Terbrock went from 3 to 30 points (to Lifetime level in TCC) in one year.

2000 Priorities

Kirk asked that people in attendance rank their priorities and fax them in by Monday or Tuesday. He also requested support in getting chapter members to the chapter summits.

Roger asked for other, new priorities.

Chapter Updates

South Florida: Mike Ruede reported that the chapter has not met for two months due to hurricanes, but will meet soon.

North Carolina: Jim Irvin reported that they have turned in their bylaws to WTCA. Kirk attended their last meeting. The current hot topic is the requirement of sealing placement plans. They have a few other topics for the next meeting.

Ohio: Steve Yoder reported that the chapter would participate in a building official training seminar in February.

Kentucky: Keith Kinser reported that the next chapter meeting would be on November 12. A professor from the University of Kentucky will discuss census data and labor/population trends in the state.

Northeast: Stan Sias reported that the chapter met in mid September, and the meeting centered on SBCMC. There are two upcoming tradeshow: the Build Boston Show in November, and the Northeast Retail Lumbermens Show in January. They are hoping to put together at least a Level I TTT, and possibly a Level II.

Wisconsin: Pat McGowan reported that at the last meeting, there was some concern expressed over Qualtim's involvement with STCA. The lesson learned is the importance of communication. In November, a member from the state patrol will be coming in to discuss DOT oversize requirements.

Capital Area: Dwight Hikel reported that the chapter's top goal in the past year was to develop consensus in the area of design responsibilities. Prince William County had said they wanted sealed placement plans. The chapter met with NAHA to gain consensus. The resolution was that

they would abide by WTCA 1. Kirk commented that this was an example of a chapter really working together on a local level.

Chicago Area: Scott Arquilla reported that there is not a lot of involvement in the chapter. There are a number of members that have the attitude there is nothing I can do, so why worry. Scott will be encouraging members to attend the chapter summit in Chicago, and Don Hershey has also worked to encourage his people to come. We still have fire issues in Chicago, and there hasn't been much action by the AFPA lobbyist. We are working to put a human face on the truss industry.

Alabama: Michael Balliet reported that at the last meeting, there was a speaker from the state who discussed sales tax issues. The next meeting is Nov 18.

South Nevada: Glenn McClendon reported that they recently had a golf tournament with 12 teams. On September 21 they participated in a Southern Nevada framers meeting, and gave a presentation on PVC sprinkler systems and lumber repairs. There were 60 people in attendance. October 28 is the last meeting of the year, and it will cover a recap of the past year and elections for next year.

Texas: Jack Dermer reported that the next Board meeting of the Truss Manufacturers Association of Texas would be in November. They will be participating in a tradeshow at the University of Texas at Arlington with a booth, and will hand out WTCA literature.

Central Florida: Jim Thomas reported that the Central Florida chapter had recently met and elected officers. There were 35 in attendance at the last meeting. They began discussing the SBCMC concept. The chapter has been active in promoting TTW's around the state, which has opened many doors. They are working with code officials on permit drawings.

Iowa: Roger Gibbs reported that at the September meeting, Kirk was the guest speaker. He provided information the about WTCA-National. SBCMC issues were discussed, and received positive reviews. An educational presentation on trusses was planned for the Structural Engineers of Iowa. The meeting was postponed until Spring.

Missouri: Mary Pat Keller reported that the chapter is stagnating because people are busy. Three people will attend the Chapter Summit in Chicago. The next meeting is on the first Friday of November, and they will discuss SBCMC and other issues we've discussed here, to get interest raised.

Old Business

- Scott Arquilla asked the status of the Alpine fire assembly. Kirk said that we are working with Clyde Wynn, and the process will start in January. ICBO will accept certain NER's. We will work through this.
- The round table discussion at BCMC is getting more and more popular. At the round table this year, the main topic was labor and immigration. Kirk brought up the Financial

Performance Survey. There are still a lot of people who don't know about this. There was a suggestion to contact companies' CFO's. This forum will continue next year.

- Kirk asked chapters to bring up business solutions groups. We've got one group started.

New Business

There was no new business.

Adjournment

MOTION TO ADJOURN. Motion by Mike Ruede. Second by Mary Pat Keller. Motion passed unanimously.

The meeting adjourned at 1:43 p.m.

/jte