CONSTRUCTOR

The Voice of the Kansas City Construction Industry

SPRING 2015

For 65 Years:

Heavies Have Been Making Things Better

On April 28, 1950, as the post-World War II economic boom was revving up, a group of Kansas City area heavy contractors met at Union Station to form the Heavy Constructors Association of Greater Kansas City.

As the HCAGKC celebrates its 65th anniversary, our Association takes pride in its past accomplishments and looks forward to doing much more for the citizens of Missouri and Kansas.

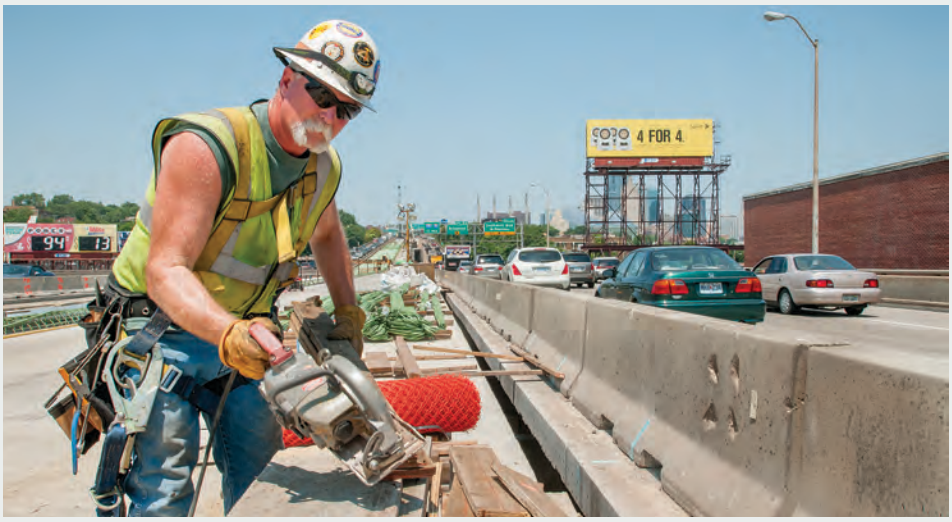
"For 65 years we have had the privilege of serving our members and helping them make things better for the communities we live and work in."

De Soignie

"The history of our Association is closely intertwined with the history of the Kansas City region," said Edward DeSoignie, HCAGKC executive director. "We are grateful for the opportunities we have had to improve public safety, bolster economic development, provide good-paying jobs that support families and support our economy."

"Heavies at 65 Years" continued on page 3

Construction methods and equipment have changed dramatically over the years, but quality work and worker safety remain priority #1 for HCA member contractors, including Kissick Construction (above) and Clarkson Construction (below).



MAKING IT BETTER

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A Century of Service

Musselman & Hall's Legacy Etched in Concrete

The Heavy Constructors Association of Greater Kansas City takes great pride in congratulating long-time member Musselman & Hall Contractors on reaching the milestone of 100 years in business. The company was formed in 1914 and was a founding member of our Association in 1950.

"We're 101 years old this year," said CEO Doug Hall. "But if you walk around our office, you'll see that many of the people working here are in their 30s. The average age of our employees is going down as we hire more and more young people."

Musselman & Hall is indeed on a growth spurt. Though the company reported fairly recently that it employed more than 100 people during the busy construction season, Hall said it provided work to more than 200 employees during the 2014 construction season. "This year I don't think we've gotten below 170 employees, even in the winter time. We are growing very fast."

The company's areas of expertise include railroad maintenance and construction; structural and architectural concrete; and asphalt pavement analysis, maintenance and construction.

CEO Doug Hall (left), along with Dexter Phillips and Mike Morris build on tradition at Musselman & Hall

Success Built on Quality

Musselman & Hall's list of projects includes Kauffman and Arrowhead stadium renovations, Bartle Hall expansion and the "Yellow Brick Road" at the Legends shopping center.

The company performed work in 18 states in 2014. About 80 percent of its work occurs in the Kansas City area, though its St. Louis office is experiencing rapid growth.

Musselman & Hall is owned by Hall, Dexter Phillips and Mike Morris.

The company has always blazed a trail as a niche contractor, Hall said. "We've never tried to be just a commodity contractor. A heavy contracting company must be flexible and adaptable to succeed in the current environment. There are customers who will pay for outstanding customer service, and those are the customers we want."

In the case of Musselman & Hall, being flexible and adaptable has paved the way to more work in the private sector. "Our customer mix used to be about 50-50 government and private work," Hall said. "But we have gravitated away from government work, and our work is about 75 to 80 percent private now."

The shift to more private work has been driven by what has been happening in the realm of public funding for infrastructure. "There's not very much money in government work now and it's very price competitive," Hall said. "We want to sell on customer service, quality and innovation. Government entities do care about quality and customer service, but they don't always have a lot of flexibility to pay for them."

Musselman & Hall strives for its work in the field to be the best, but the value of doing business with the company extends to aspects that can't be field tested.

Hall said Musselman & Hall has derived great benefits over the decades from being a member of the Heavies. "The Heavies negotiate our labor contracts, so that's a huge plus for us. Sometimes, when we've done work for municipalities, there have been procedural problems over compliance issues. Sometimes there are differences of opinion over how the laws are interpreted. A contractor like us does our best to comply, but sometimes there are issues that just cannot be resolved between our company and the regulators. When that happens the Heavies are always available to work out a solution to the problem."

In addition, Hall emphasized that the Heavies have been the "guiding force in generating revenue, through tax money, to pay for improvements. Whenever there's a big campaign to fund a bond issue, or some kind of tax for capital improvements, the streetcar or whatever, the Heavies are the ones who provide the financing for the campaigns."

"I have really good friends who are in the Heavies," Hall added. "We compete against them, but we're always friends." ■

Co-founders George Musselman and Harry Hall

M&H strives for its work in the field to be the very best.

Contractors Banded Together to Help Their City

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Rescues and Building Anew

In 1950, when the interstate highway system was just a dream in the minds of big thinkers, the leading heavy contractors of Kansas City realized that they would have plenty of work to do amid soaring demand for new infrastructure. And though heavy contractors tend to be independent spirits, the builders who gathered at Union Station knew they needed to forge a unified voice in their dealings with labor unions and government agencies.

Since its founding, our Association has played a big role in the life of America's heartland. During the devastating Kansas City flood of 1951, the Heavies came to the rescue with men and equipment. The Heavies came to the rescue again when a 1977 flood hit Kansas City's famed Country Club Plaza, and when the skywalk of the Kansas City Hyatt hotel collapsed in 1981.

HCAGKC members built the network of interstate highways in the Kansas City region and led the way in construction of Kansas City International Airport and the Truman Sports Complex.

One of the Association's first cooperative efforts was recue and clean-up after the giant 1951 flood that destroyed more than $1 billion in property, and brought life and commerce in the city to a standstill.

Driving Force for Progress

The Heavies and the communities served by our members have navigated through many highs and lows over the decades, and many obstacles have presented themselves during the past 65 years. Labor strikes plagued Kansas City heavy contractors in the late 1970s, but Association members stuck together and obtained more equitable contracts.

In 1996, the Heavies were the first group to point out fatal flaws in Missouri's inadequately funded 15-year transportation plan. On the whole, it has become more and more difficult to obtain funding for critical infrastructure needs in recent years.

"It's gotten a lot more difficult to accomplish things," DeSoignie said. "Everybody wants improvements, but providing financing for those improvements is a tall hill to climb. But with the help of our unions, our legislators who see the big picture, and our allies in related industries, we're going to keep climbing that hill."

The addition in 2010 of HCA Deputy Director Bridgette Williams has added government relations and lobbying strength. Williams was instrumental, for instance, in passage of the critical 10-Year T-Works Plan.

Despite the funding challenges, Heavies members have led the way in many crucial infrastructure projects in recent years and up to the present time. Among them are:

- The Johnson County (Kansas) Gateway Phase 2 I-435/I-35/K-10 interchange improvement project. Ground was broken in April 2014 for this three-year, $288 million project - the largest in the history of KDOT.
- The upgrading of 18 bridges in the vicinity of downtown Kansas City, Mo. in 2013. Working two 10-hour shifts, seven days a week for 40 weeks, Heavies members completed the $48 million project before Christmas.
- An ongoing 25-year, $4.5 billion program to update water and sewer infrastructure in Kansas City, Mo.—one of the biggest infrastructure projects the Kansas City area has ever seen.
- A 2.2-mile, $85 million streetcar line, now under construction, that will run through the heart of downtown Kansas City, Mo. The streetcar project has spurred development plans for additional apartments, offices and hotels in the vicinity.
- Construction of the Bruce R. Watkins Drive.
- Reconstruction of the I-435/U.S. 50/U.S. 71 Interchange-the Grandview Triangle.
- Reconstruction of the runways at both Kansas City International Airport and the Charles B. Wheeler Downtown Airport.
- Extensive waste water/storm water and roadway work in construction of the Power and Light District.
- Construction of levees on the Kansas and Missouri Rivers.
- The Kit Bond Bridge.
- Construction of the CenterPoint-KCS Intermodal Center at the old Richards-Gebaur Airport.

"The individual members of our Association have made our achievements possible," DeSoignie said. "Many challenges face us, but by working together we will meet them and keep making things better well into the future." ■

Bumpy Roads to Jeff City and Topeka

Funding for Infrastructure Continues to Slip

As this newsletter went to press, our Association was pushing the case for transportation infrastructure improvements amid some of the most challenging state legislative environments in years.

MO Roads Take a Toll

In Missouri, where transportation advocates had to regroup after last year's voter rejection of Amendment 7, the construction budget for roads and bridges plunged to $685 million this year from about $1.3 billion annually as recently as 2009.

Gov. Jay Nixon has indicated that he would consider putting a toll on I-70, which is badly in need of subsurface repairs. Our Association takes a favorable view of tolls, but this has been a very contentious issue in Missouri and will continue to be.

"What we've done in Missouri is identify a number of different funding strategies that the legislature could consider, in order to start the process of providing additional funding for MoDOT to carry out its mission," said Edward DeSoignie, executive director of the Heavy Constructors Association of Greater Kansas City.

DeSoignie said the proposed funding measures were crafted as legislative proposals so they would not require a public vote; they could be acted on by the General Assembly over several legislative sessions. The idea is to provide MoDOT with the funding it needs to move forward over a period of time rather than in one large measure.

"We've been waiting to see if Gov. Nixon proposes some sort of a funding mechanism for the legislature to consider," DeSoignie said. "He indicated in his State of The State address that tolling and increasing the gas taxes are options for the legislature to consider. The problem is that there's been no follow-up by way of an actual recommendation."

Nonetheless, putting Amendment 7 on the ballot last year shows that Missouri legislators place a high priority on road and bridge improvements.

That is not the case in the Sunflower State, unfortunately. In fact, Kansas legislators are "going above and beyond in their efforts to dismantle the existing highway program," DeSoignie said. "The department (KDOT) continues to assure everyone that all is well and the T-WORKS (Transportation Works for Kansas) program can be delivered as promised. In 2010, when it was passed, T-Works was basically an $8 billion program; the smallest of the three statewide programs passed in 1989, 1999 and 2010. To date, the legislature has diverted in excess of $2 billion - 25 percent of the funding stream. I think there are a number of people who find it a little hard to believe that you can reduce the funding stream by 25 percent and have no appreciable effect on the outcome of delivering a public works program."

> "A small fuel tax increase in Missouri would be the first step toward fiscal solvency, though transportation officials acknowledge the agency would soon be back trying to get more. Eventually, lawmakers and the people of Missouri must decide whether smooth roads and safe bridges are a high priority. But they need to do that before too much damage is done and the repairs become far more costly." ~ Kansas City Star, April 2015

Pols Plundering KDOT

The situation in Kansas took a turn for the worse in mid-February when a House committee decided to reverse a decision it made the previous week and fully restored Gov. Sam Brownback's request to draw $724 million from the "Bank of KDOT" to fill gaps in other state spending.

Highway and bridge improvements do not appear to be high priorities for Gov. Brownback. "Income tax cuts are his top priority," DeSoignie said. "And while the governor says tax cuts will encourage businesses to move to Kansas, I have to think that businesses looking to move to another state want to move to states that are taking care of their infrastructure."

Despite all the challenges and bumps in the road, the Heavies will continue to work with legislative leaders in both Missouri and Kansas to achieve the best possible outcomes for transportation infrastructure this year.

"We think things just need to sort themselves out in Missouri following what happened with Amendment 7," DeSoignie said. "In Kansas, our interest is retaining the integrity of the T-WORKS program, and being able at the end of the day to say that we delivered that program as was originally intended in 2010." ■

> "We ought to stand up and demand people support a highway bill, and if I don't support it, kick me out. Anybody who won't do the things it takes to rebuild this country doesn't deserve to be in public office." ~U.S. Rep. Emanuel Cleaver II, D-Mo.

A Word from the President

Soldier's Survival Depended on Teamwork

By Trey Bowen, HCAGKC President

As always, it was a great privilege for me to be able to meet with my fellow Association members at our annual banquet, which was held Feb. 26. This year's banquet was especially noteworthy because it marked the 65th annual meeting of the Heavy Constructors Association of Greater Kansas City.

In celebration of six and a half decades of "making it better" for our communities in Missouri and Kansas, we viewed an inspiring video that highlighted the numerous projects built by our members during the past 65 years.

Amid our celebration, however, we did not lose sight of the crucial challenges that confront every member of our organization today. These challenges include the continued peril facing the Federal Highway Trust Fund, as well as funding crises on both sides of the state line.

Meeting these challenges requires a number of attributes on our part, including being knowledgeable about our industry. As such, attendees at our banquet benefitted from remarks given by one of the foremost construction industry experts in the world, Steve Sandherr, chief executive officer of the Associated General Contractors of America.

Trey Bowen is vice president of Superior Bowen Asphalt

Other important attributes needed for our success include teamwork and tenacity. In that vein, banquet attendees heard an inspiring presentation by Col. Greg Gadson, an Iraq war veteran who shared stories about the challenges he has faced as a wounded veteran.

On the night of May 7, 2007, while returning from a memorial service for two soldiers from his brigade, a roadside bomb in Baghdad took both of Col. Gadson's legs and severely injured his right arm.

As difficult as those challenges were, Col. Gadson met them head on. He became one of the first military veterans to use a next-generation powered prosthetic knee with technology to make it possible for amputees to walk with confidence and with a more natural gait. Col. Gadson subsequently made his acting debut in Battleship, a science fiction naval war firm.

Col. Gadson, who played football for West Point, reminded us of how important it is for us to work together as a team to meet the challenges facing our industry. On issues such as funding, regulations and labor negotiations, we get better results when we pull together and speak with one voice.

As we prepare to meet the challenges ahead, please join me in looking forward to another 65 years of working together to "make things better!" ■

Left: Wounded Warrior Colonel Greg Gadson graciously shook hands and posed for photographs with Heavies members and guests. He is shown here with (left to right) HCAGKC Executive Director Ed DeSoignie, Deputy Director Bridgette Williams, Vice President Barclay Hornung, and President Trey Bowen.

Below: Despite losing both legs to a roadside bomb in Baghdad, Col. Greg Gadson believes extra effort and optimism will always prevail.

MAKING IT BETTER

Want more information on our Association, members and issues?

Check out our website, **KCHeavyConstruction.org.** Regarding membership, contact Ed DeSoignie at (816) 753-6443

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photography by Jeff Roberts and compliments of MoDOT

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A Great Friend, Great Ally and Co-Worker

Dave Nichols Retires from MoDOT

Our association is losing a staunch and steadfast advocate with the retirement of Dave Nichols from the director's position at the Missouri Department of Transportation.

Nichols

Nichols announced his plans for retirement on Feb. 5. He became director of MoDOT in April 2013, after having served as chief engineer for two years. In his 30 years at the department he held a variety of roles, including as MoDOT's first director of program delivery. He also served as district engineer for the department's Northwest District based in St. Joseph, and worked in MoDOT's Kansas City District office.

"Dave has been one of the best professionals at MoDOT that I ever had the privilege of working with during all the years I've been with the Heavies," said Edward DeSoignie, executive director of the Heavy Constructors Association of Greater Kansas City. "He is an absolute gentleman and an excellent representative of the department. Dave exemplifies a lot of the strengths that I'd like to see in a lot more of the people I deal with."

A Real Problem Solver

DeSoignie described Nichols as "a good listener" and "one of those rare individuals who actually follows through on what he says he's going to do. He's a real problem solver. Dave comes across well because he's a sincere and honest individual. When people hear Dave say something, they know he's on the level."

DeSoignie noted that Nichols' tenure as MoDOT director has coincided with a challenging time for transportation infrastructure funding. It costs $485 million a year to maintain all of the state's roads and bridges in their current condition, without any improvements or expansion, but Missouri's construction budget for transportation will drop to $325 million by 2017.

"Dave was in a tough position in trying to explain a lot of engineering-type issues that roads and bridges face to a general public that is not, by and large, engineering oriented." DeSoignie said. "Motorists driving across I-70 through Missouri see a highway that looks fine on the surface but is crumbling underneath, and that is tough to explain to taxpayers. It would require them to park their cars, get and out and have someone point out the problems to them."

DeSoignie added that Nichols "has been a great friend, a great ally and co-worker. I'm going to miss having him around." ■