

The logo for ACEC (American Council of Engineering Companies of Georgia) features the acronym "ACEC" in a large, bold, serif font. Above the letters is a thin, curved line that arches over the top of the text.

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Georgia

ACEC Management Update

American Council of Engineering Companies of Georgia

April 2011

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ACEC/G Board of Directors Accepts Nominating Committee's Proposed Slate of Officers for 2011-2012

ACEC/G's Board of Directors was pleased to accept the nomination of the following to serve ACEC/G beginning July 1, 2011.

James R. Hamilton (Southern Civil Engineers, Inc.) will automatically move to President and Thomas D. Gambino (Prime Engineering, Inc.) automatically moves to Past President. All Officer/Board positions are for a one-year term, except for the National Director, which is for a two-year term.



James R. Hamilton
2011-2012 ACEC/G
President

Upcoming Events - Mark Your Calendar!

April Lunch Membership Meeting

April 21, 2011

The Georgian Club

"What's Right with Livable
Communities:
A Market Driven View"

Speaker: Raymond Christman,
Executive Director,
Livable Communities Coalition
of Metro Atlanta

Click [Membership](#) for additional
information and on-line registration

May Lunch Membership Meeting

May 19, 2011

The Georgian Club

Mark Your Calendar!
Registration is forthcoming.

FOR PRESIDENT-ELECT:

Edgar "Eddie" Williams (Keck & Wood, Inc.)

FOR TREASURER:

Jay C. Wolverton (Wolverton & Associates,
Inc.)

FOR SECRETARY:

Darrell K. Rochester (Rochester & Associates
Inc.)

FOR VICE PRESIDENT:

Charles Ezelle (Thomas & Hutton Engineering Co.)

Randy Ferguson (Jordan, Jones & Goulding)
Roseana Richards (Pond & Company)

FOR DIRECTOR:

Bill Griffin (Rosser International)
Don Harris (URS Corporation)
John A. Heath (Heath & Lineback Engineers,
Inc.)
Richard Mays (Engineering Design Technologies, Inc.)

2011 Georgia Engineers Summer Conference

June 19-22, 2011
Reynolds Plantation, Lake
Oconee, Georgia



Log on to [Conference](#)
for information and registration.

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Richard J. Meehan (Lowe Engineers,
LLC)
Margie S. Pozin (STV/Ralph Whitehead
Associates)
Doug Robinson (Walter P Moore and
Associates)
David Wright (Neel-Schaffer, Inc.)

FOR NATIONAL DIRECTOR:

William R. (Rick) Toole (W.R. Toole Engineers, Inc.)

Ballots will be mailed to member firm representatives 30 days prior to
the Annual Meeting to be held at the Ritz Carlton, Lake Oconee June
19, 2011 in conjunctions with the 2011 Georgia Engineers Summer
Conference.

Future Leaders Program To Recognize Thirty Rising Stars at April 21 ACEC/G Lunch Membership Meeting



Please attend ACEC/G's April 21st Lunch
Membership Meeting and join us as we recognize the 2010-2011
Future Leaders Program *graduates*.

Ben Amos (Geosyntec)
Anthony Bates (Syska Hennessy Group)
Richard Boston (Volkert, Inc.)
Sowmya Bulusu (Geosyntec)
Tom Cetti (Wolverton & Associates, Inc.)
Craig Clum (Street Smarts/Stantec)
Nathan Cockfield (Johnson, Laschober & Associates)
Abigail Faust (Golder Associates, Inc.)
George Fragulis (Pond & Company)
Emmie Granberry (Geosyntec)
Angel Gray (Syska Hennessy Group)
Dale Heiring (NBP Engineers, Inc.)
Rhett Hesprich (Pond & Company)
Amanda Hoffman (URS Corporation)
Joe Ivanowski (Geosyntec)
Justin Knight (Geosyntec)
David McFarlin (Volkert, Inc.)
John Reid (Parsons Brinkerhoff, Inc.)
Michael Roberts (Jacobs Engineering Group)
Chris Seckinger (HNTB)
Christopher Sheahan (Hatch Mott MacDonald)
Lisa Spiller (AECOM)
Shane Swan (HNTB)
Matt Thompson (McGee Partners, Inc.)
Josh Trawick (Wolverton & Associates, Inc.)
Jim Turner (Pond & Company)
Derrick Vincent (Jacobs Engineering Group)
Curtis Williamson (Johnson, Laschober & Associates)

Darren Wilton (McGee Partners, Inc.)
Ashley Zellner (The LPA Group)

Attention ACEC/G Voting Representatives: Membership Directory Updates

It's that time of year for renewals, and we are in the process of preparing ACEC/G's 2011 / 2012 Membership Directory. A request for data updates will be included in the ballot mailer as mentioned above. This information will appear in the Membership Directory with a circulation of about 4,000, including ACEC/G firms, State & Local Municipalities, and Clients. A second request will be to update your firm's employees that are on our current mailing list. We communicate with them by e-mail, US mail, and *The Georgia Engineer* magazine.

And finally, ACEC National will be contacting you separately so that you may certify your employee count. It is very important that you respond as this will affect your dues billing, and will also appear in the Directory along with the attached information.

Thank you for your prompt response. We appreciate your membership and look forward to enhancing our communications.

ACEC/G Adjusts Fees to Better Serve Its Members

In 2009, a dues task force was formed to review the problem of balancing ACEC/G's services against the reduction of ACEC/G's income due to the contraction of the economy. The task force quickly realized that it could not deal with the dues income issues without also analyzing the services provided by ACEC/G and the annual expenses required to provide those services. As a result of this initial report to the Board of Directors, the committee was recast as the Dues and Budget Committee and issued a report to the Board of Directors in December 2009, presenting the following findings:

1. Over the past 10 years, ACEC/G has relied on the growth of its membership to cover the escalation of overhead and payroll costs.
2. The increase in services provided by ACEC/G to its members has been funded over the past 10 years by the growth of its membership.
3. The annual budget is not linked to an adjustment in dues, so the only way to balance the budget is to adjust the level of services provided by ACEC/G.
4. Contrary to some assumptions, 80% of dues income from ACEC/G is derived from firms with fewer than 100 people.
5. The cap on dues paid by larger firms is not equitable given the opportunity those firms have to use ACEC/G's services.
6. The economic contraction of the Southeast Region has resulted in a net decrease in the number of firms practicing engineering.
7. The consolidation of the industry has resulted in a decrease in ACEC/G's Index number, which in turn results in a net

- decrease in dues income.
8. Based on ACEC/G's dependence on growth to cover increases to the budget, the contraction of the economy has resulted in a net decrease in services provided by ACEC/G.
 9. ACEC/G dues were last adjusted July 1, 2007.
 10. Neither reducing ACEC/G's services nor supplementing the annual budget shortfall with ACEC/G reserve funds is a sustainable model.

Using these findings, the committee set out to address how to align the services ACEC/G has traditionally provided with the income required to support the service model. The committee's deliberations on these issues resulted in a series of recommendations to the Board of Directors. These recommendations were as follows:

Goal One: Develop a three-year rolling budget.

Goal Two: Adjust dues structure to be distributed based on the opportunity to use services provided by ACEC/G.

Goal Three: Provide an ACEC/G dues management system to meet ACEC/G service commitments.

The committee's recommendations were reviewed and accepted by the Board of Directors in May 2010. To learn more, click [budget](#) and scroll to the December/January Presidents Message.

Based on the significance of the changes adopted, the Board of Directors implemented a communication plan to announce the committee's recommendation. The plan included the review of the changes with the membership four times over ACEC/G's 2010/2011 fiscal year. The plan was first introduced at the ACEC/G summer membership meeting and reviewed again in the October membership meeting. Tom Gambino's President's Message of the December/January issue of *The Georgia Engineer* magazine encapsulated the third review of the proposed dues and budget process. This notification precedes the dues restructure to be effective on the July 1, 2011 invoice statement. Should you have any questions, please contact the ACEC/G office.

Lobbyist Registration Reform Passes and is Signed by the Governor



HB 232, which passed and was promptly signed by the Governor, alters "lobbying" requirements that were imposed by the 2010 General Assembly. These requirements took effect in January 2011, just as the General Assembly convened, and many were shocked to find that ordinary activities associated with marketing engineering services (actually, *any* goods or services) to local governments were now defined as *lobbying*, which obligates one to register with the state and report all expenditures (even if there were none). Late reporting

results in stiff fines: \$275 if it is *late* (e.g., a monthly report is due at midnight of the last day of that month), \$1,000 if 15 days late, and \$10,000 if 45 days late - these are cumulative so that a fine of \$11,275 is due after 45 days. If the General Assembly is in session, then the reporting deadlines are reduced by about half to 7 days and 22 days, respectively.

The most significant element in HB 232 is establishment of a *de minimum* of 10% of a person's work time spent on "lobbying". A person is not a lobbyist if he/she spends less than 10% of his/her time engaged in activities that constitute lobbying, which includes seeking to influence vendor decisions in addition to more traditional activities that are understood to be lobbying: seeking to influence local ordinances/ resolutions and state legislation/rules/regulations. Specifically included in the 10% calculation is "time spent in planning, researching, or preparing for" lobbying activities.

Bona fide, commissioned salespeople are specifically exempted from the lobbyist definition.

It seems that the idea is to not require registration of those people who only incidentally are involved in "lobbying"; whereas those that are hired to market goods and services to public entities and/or influence legislation and local ordinances will continue to be required to register.

Other changes that seem to be sensible are as follows:

1. A grace period of 3 business days is provided for filing reports (e.g., a monthly report is due 3 business days after the end of the month).
2. The commission may waive a late filing fee if there are no expenditures to report.

The original law, nor the HB 232 amendment, imposes any limitation on the amount of expenditures for lobbying. The law does specifically exempt the cost of preparation of promotional materials and brochures from reporting requirements. Also the cost of responding to a RFP or an invitation to bid, and the administrative/support staff associated with proposal preparation is exempt from the definition of lobbying. Click [Lobbying](#) for full HB 232.

For more upfront and personal information, register to attend the 2011 Georgia Engineers Summer Conference. Stacy Kalberman, Executive Secretary of the Campaign Finance Commission of Georgia will address the new law during the opening session.

Invest in Your Business - ACEC PAC

Your support of ACEC/PAC is vital for 2011 - it is the engineering industry's preeminent political action committee whose sole purpose is to elect candidates to the U.S. House and Senate who promote policies and legislation favorable to the engineering industry. As a federal PAC, ACEC/PAC can only accept personal checks or credit cards (partnership and sole proprietorship contributions are also allowed).

Why support ACEC/PAC? Consider this from a recent *ACEC's Last Word* article: The long-stalled reauthorization of federal aviation programs and airport funding—a key infrastructure priority for ACEC—is on track for swift consideration by Congress. Senate Majority Leader Harry Reid touted the economic and jobs impact of airport improvement projects and air traffic control modernization in bringing the FAA Air Transportation Modernization and Safety Improvement Act (S. 223) to the floor. That's just one of many, many federal bills and regulations that ACEC is monitoring - and where your support of our political programs provides the edge in making sure our interests are protected and promoted. A contribution to ACEC/PAC is really an investment in your business.

ACEC/GA has a goal of \$32,200 for this year, which isn't all that much when you consider how many members we have in the state - and how much each our firms saved thanks to ACEC. [Click here](#) for more information about the PAC, and how to make a contribution if your firm has already granted prior approval. If you have any questions, please contact [Jay Ashtiani](#) (United Consulting) or [Greg Knopp](#) (ACEC).

ACEC/G Visits with State Legislators

Twelve ACEC/G representatives participated in ACEC's Legislative Summit in Washington on March 28th and 29th, in conjunction with ACEC's Annual Convention. As "citizen lobbyists", we promoted repeal of the expanded 1099 mandate, among other key issues, and in an immediate payoff the Senate approved repeal and forwarded it to the President for his signature. Georgia helped to add new co-sponsors to repeal the 3% withholding, and ACEC's outgoing chair Jerry Stump testified before the House T&I committee on outsourcing.



ACEC/G Members Visit with Congressman Lynn Westmoreland

Charles Ezelle and Mark Pickering (Thomas & Hutton), Doris Willmer (Willmer Engineering), Jay Wolverton (Wolverton & Associates), David Wright (Neil-Schaffer), Roseana Richards (Pond & Company), Tom Gambino (Prime Engineering), Darrell Rochester (Rochester & Associates), Don Allen (Jacobs), Tom Robertson (Cranston Engineering), Tom Leslie and Gwen Brandon (ACEC/G) visited the offices of Senators Chambliss and Isakson, Congressmen Kingston, Johnson, Woodall, Westmoreland, Graves, Price, Barrow, Gingrey, and Lewis.

Employment Decline Moderates for Private Sector Engineering Firms

Employment at private sector engineering firms in Georgia declined by 6.8% in 2010, after a whopping 27.4% decline in 2009. Engineering firm owners and managers seem somewhat more optimistic, however, about the prospects for 2011 than they were a year ago. At the very beginning of 2010, 27.3% of responding firms planned additional layoffs and/or reduced hours, but an identical 27.3% expected to increase hiring during 2010. A year later, only 16.0% expected layoffs and/or reduced hours and 32.0% expected increased hiring in 2011. Click [Table](#) for analysis of survey results by ACEC/G Director of External Affairs, Tom Leslie.

The firms responding to the employment survey represent about 20% of the total number of firms that are members of ACEC/G (225 firms in 2010). The size distribution of reporting firms is shown in the the [Table](#) link above. Although the reporting firms sample under-represents very small firms (1-3 employees), the distortion is small and the survey results seem to reasonably represent the aggregate circumstances of ACEC/G members.

Engineering firms do about half their work for private sector clients and half for public sector clients. The employment in Georgia's engineering firms was only affected in a minor way by the federal American Recovery and Reinvestment Act (the 'stimulus' program), because of the requirement to invest in "shovel-ready" projects. Most of these public projects were already designed and had received environmental clearances, so the vast majority of 'stimulus' money went to physical construction contracts.

About one-quarter of ACEC/G member engineering firms design and secure development permits from local governments for residential subdivisions. There is a vast backlog of "buildable" residential lots, as well as new and existing homes for sale, although well-informed surveys of this market suggest that home sales and prices are stabilizing.

Changes in the commercial building sector seem to be following the residential sector, although it seems to be *lagging*, rather than *leading*, the residential trajectory. Retail sales are flat, which reflects in vacant, over-built retail space. Building projects in the retail and commercial sectors seem to be in the "planning" stages, an effective use of a developer's time since there is not much else to do. About one-third of ACEC/G firms perform structural and/or mechanical-electrical-plumbing engineering for commercial, retail, and/or institutional buildings.

Going into fiscal year 2012 (which begins July 1, 2011), Georgia, along with many other states, is experiencing its third year of severe revenue shortfalls, which have required tough decisions to close budget deficits. In most cases capital spending, which drives engineering work, is being curtailed, which seems to be viewed as discretionary spending.

A common theme among economists is that economic recovery will take several more years - none say 'next year' and some say '3-5

years' to return to employment levels prior to the Great Recession. Using loose language, it seems that common wisdom among experts and otherwise is that "we will bounce along the bottom" for a few years with modest gains in employment. The employment surveys of ACEC/Georgia members firms seem to track this characterization.

Many thanks to firm representatives who participated in the annual survey.

People and Business News

Georgia Environmental Finance Authority (GEFA) Executive Director Kevin Clark announced that **Kevin Kelly** has been selected as Water Resources Division Director.

ATC Associates Inc. announced that **Wendy Brantley** has joined the firm as Client Manager and Business Development associate for the environmental, geotechnical and materials testing services lines.

Atlanta Mayor Kasim Reed appointed **Jo Ann J. Macrina** to be the new commissioner of watershed management, former DeKalb County deputy water commissioner.

(Please provide any announcements regarding people or business news within your Georgia firms to [Gwen Brandon](#) for printing in the Management Update newsletter.)