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**OHIO**

OCTOBER 2018

**BUILDINGS**

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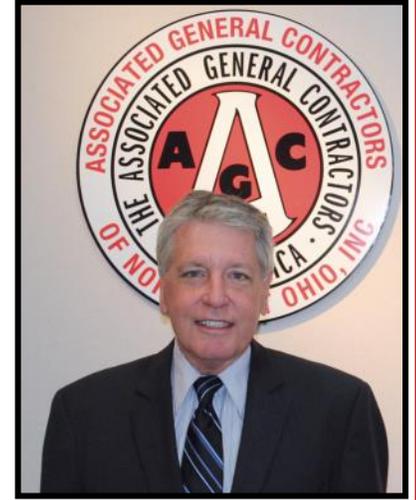
## AGC Loses an Industry Leader

Kevin Xavier Smith, long-term representative of AGC's Northwest Ohio Division passed away unexpectedly on Saturday, September 22<sup>nd</sup> in his home in Toledo. He was 66 years old.

Kevin was the CEO and Legal Counsel for AGC of Northwest Ohio since 2010. He previously served as the Vice President of Business Development for Bostleman Corporation, which was an active AGC member. Prior to joining Bostleman, Kevin held his current position with AGC of Northwest Ohio, having joined the AGC family in 1978.

Kevin touched us all with his keen wit, intelligence and Irish humor. He will be greatly missed.

Our sincerest condolences to the Smith family and AGC of Northwest Ohio.



## AGC of Ohio Board Recognizes DeWine/Husted as AGC's Preferred Choice for Governor

At its September meeting, the AGC of Ohio Board discussed the gubernatorial race between Richard Cordray/Betty Sutton and Mike DeWine/Jon Husted, which is very close according to recent polls. The Board selected the DeWine/Husted ticket as AGC's preferred choice.

Richard Cordray is an experienced and respected political figure in Ohio, having served as Ohio Attorney General before joining the Obama Administration as Director of the Consumer Financial Protection Bureau.

The AGC of Ohio Board acknowledged that for the past several years, the DeWine/Husted team has reached out to the organization to better understand the complicated world of vertical, public construction and the role of the Ohio Facilities Construction Commission. This is not an easily understood industry, and there was no such outreach by the Cordray/Sutton team.

Accordingly, the AGC of Ohio Board determined that the DeWine/Husted ticket was the most interested in industry's issues and AGC's preferred choice for Governor.



# 2018 BUILD OHIO CELEBRATION



## Celebrate Ohio's Construction Industry by Attending the 27<sup>th</sup> Annual Build Ohio Celebration

The Build Ohio Celebration is AGC of Ohio's largest event of the year and is always an exciting evening. Build Ohio celebrates construction through an awards program that recognizes contractors for excellence in construction and a gala that reflects upon the accomplishments of the construction industry throughout the year.

Whether you have entered a project in the awards program or not, Build Ohio is a terrific opportunity to mix and mingle with construction leaders and guest from across the state. At the celebration, winning projects will be announced for the first time in an academy-awards style fashion. Winners are awarded the custom-made bronze and green marble Build Ohio Statue.

**Date:** Friday, November 9, 2018

**Location:** Hilton Columbus at Easton, 3900 Chagrin Dr., Columbus, OH 43219

**[To Register CLICK HERE](#)**



### **Celebration Agenda**

- \* **Cocktail Party:** 6:00 – 7:00 p.m. Cocktails and hors d'oeuvres will be served and the display boards for the Build Ohio Projects will be exhibited in a gallery.
- \* **Dinner & Program:** 7:00 p.m. in the George Bellows Ballroom. After dinner and a brief program, a video will highlight the Build Ohio entrants, and the winning projects will be announced.
- \* **Reception:** After the program, Drinks, coffee and deserts will be served to allow guests to congratulate the Build Ohio winners and reflect upon the evening.

### **Overnight Accommodations**

AGC of Ohio has reserved a block of rooms for a discounted rate of \$189/night. You may make your reservations online by [CLICKING HERE](#) or by phone at (614) 414-5000 and referencing group code: "AGC Annual Awards". The Hilton Columbus at Easton is located at 3900 Chagrin Dr., Columbus, OH 43219.



# AGC of Ohio Safety Meeting November 16

An AGC of Ohio Safety Meeting will be held on November 16. The quarterly Safety Meetings provide an opportunity for safety professionals to network and share ideas and information. Meetings are held from 9:30 a.m. to noon at the AGC of Ohio office in Columbus. Regular agenda items include OSHA regulatory and enforcement activities, workers compensation, AGC and divisions safety efforts, and pertinent safety health matters of interest. Meetings are open to AGC of Ohio members and free of charge.

RSVP attendance to Andrea Ashley at AGC of Ohio: [andrea@agcoho.com](mailto:andrea@agcoho.com) or (614) 486-6446.

## BWC/NIOSH Injury Claim Data Visualization Charts Makes Injury Data Easier to Understand

Ohio BWC has partnered with the National Institute for Occupational Safety and Health (NIOSH) to produce [data visualization charts](#) that display summaries of 1.2 million Ohio workers' compensation injury claims. These data visualization charts – also called dashboards – are an interactive way to share information and explore large data sets efficiently. This interactive tool, covering claims from 2001 to 2011, displays injury trends by year, industry, and diagnosis or cause of injury.

In the coming months, BWC and NIOSH will add data from more calendar years. For more information, visit the data visualization charts [web page](#), or read more about the data visualization charts on the BWC [blog](#).

## **J.D. Flaherty, CEO of Construction Systems Inc., Shares His Employee Stock Ownership Plan Experience**

By: [Anne Zavaglia](#), Beacon Hill Investment Advisory, LLC

A small number of business owners choose to use an Employee Stock Ownership Plan ("ESOP") as part of their succession plan. Due to its very specific benefits and drawbacks, an ESOP works with business owners with a unique set of characteristics:

- Values the legacy of the business and the welfare of the employees as much as the purchase price
- Does not need quick payout
- Has strong management in place
- Has the patience to work with multiple attorneys, CPAs, financial planners for a fairly prolonged period of time (6 – 18 months)

J.D. Flaherty exemplifies all of these characteristics in spades. J.D. recently sold his company, [Construction Systems, Inc. \("CSI"\)](#) to his employees through the use of an [ESOP](#). J.D. acquired the company in 1972 from a successful contractor, and became president in 1986. He feels that ownership of CSI has given him a level of financial stability that he would like to pay forward to his employees, which he views as family. At [Beacon Hill](#), we have never seen someone [selling their business](#) that voluntarily offered to take less advantageous terms. We saw this twice with J.D. He truly cares about the future of CSI and the employees that work there.

Learn about why J.D. Flaherty decided to use this exit planning strategy and what it meant for his company, Construction Systems, Inc. [Read More](#)





## The Economic Impact of Construction in the United States and Ohio

### Economic Impact of Construction:

- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled \$19.3 trillion in 2017; construction contributed \$826 billion (4.3%). In Ohio, construction contributed \$25.6 billion (4%) of the state's GDP of \$649 billion, less than the industry's 4.3% share of U.S. GDP.
- Construction wages and salaries in 2017 totaled \$427 billion in the United States, including \$13.6 billion in Ohio.

### Nonresidential Construction Spending:

- Nonresidential spending in the U.S. totaled \$714 billion in 2017 (\$438 billion private, \$277 billion public).
- Private nonresidential spending in Ohio totaled \$8.2 billion in 2017. State and local spending totaled \$8.2 billion.
- Nonresidential starts in Ohio totaled \$13.9 billion in 2017 and \$13.1 billion in 2016, according to ConstructConnect.

### Construction Employment (Seasonally Adjusted):

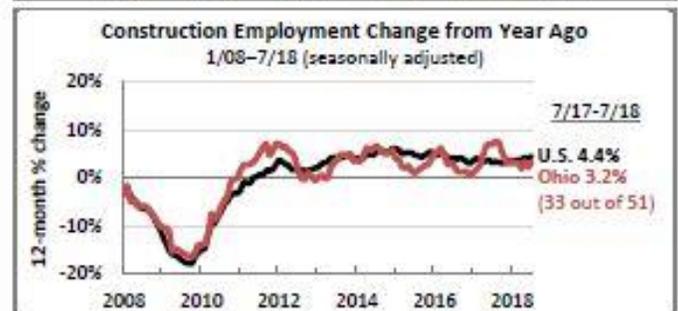
- Construction (residential + nonresidential) employed 7.2 million workers in July 2018, an increase of 308,000 (4.4%) from July 2017, but 6.3% less than in April 2006, when U.S. construction employment peaked.
- Construction employment in Ohio in July 2018 totaled 226,100, an increase of 3.2% from July 2017, but 11% less than the state's peak in March 2000.
- Construction unemployment is near a series low. In AGC's August 2018 workforce survey, 80% of firms in the U.S. and 92% in Ohio reported difficulty filling hourly craft worker positions.

### Construction Industry Pay:

- In 2017, pay for all construction industry employees in the U.S. averaged \$60,700, 10% more than the average (mean) for all private-sector employees. Pay for construction industry employees in Ohio was \$60,800 in 2017, 25% more than the state average for all private-sector employees.
- The five most numerous construction occupations in Ohio had higher median pay than the median for all employees in the state. (Half of workers earn more than the median; half earn less.)

### Small Business:

- The United States had 669,000 construction firms in 2015, of which 92% were small (1 to 19 employees). Ohio had 19,400 construction firms in 2015, of which 91% were small.



Empl. change by Metro (not seasonally adjusted)		Rank (out of 358)
Metro area or division	7/17-7/18	
Statewide (Construction)	3%	
Statewide (Mining, logging, and construction)*	4%	
Akron*	3%	223
Canton-Massillon*	2%	248
Cincinnati, OH-KY-IN*	6%	117
Cleveland-Elyria*	4%	183
Columbus*	-2%	326
Dayton*	5%	150
Lima*	0%	282
Mansfield*	4%	183
Springfield*	0%	282
Toledo*	4%	183
Weirton-Steubenville, WV-OH*	12%	14
Youngstown-Warren-Boardman, OH-PA*	5%	150
Huntington-Ashland, WV-KY-OH*	6%	117

\*The Bureau of Labor Statistics combines construction, mining and logging employment for metro areas in which mining and logging have few employers. To allow comparisons between states and their metros, not seasonally adjusted statewide data is shown for both construction-only and combined employment change.

5 most numerous construction jobs and median annual pay in Ohio			
Occupation	Number of employees	Median annual pay	Pay relative to median
All occupations	5,370,640	\$36,500	
Construction Laborers	37,990	\$38,990	+7%
Electricians	24,170	\$50,280	+38%
Carpenters	18,920	\$45,510	+25%
Operating Engineers and Other Construction Equipment Operators	15,760	\$54,400	+49%
First-Line Supervisors of Construction Trades and Extraction Workers	14,620	\$62,500	+71%

## Upcoming Events

### **2018 Build Ohio**

November 9

Hilton at Easton

To Register: [Click Here](#)

Learn More: [Parker@agcoho.com](mailto:Parker@agcoho.com)

### **AGC of Ohio Safety Meeting**

November 16

AGC Office: 9:00 a.m. - 12:00

RSVP: [Andrea@agcoho.com](mailto:Andrea@agcoho.com)

### **AGC of Ohio Convention**

March 10 – 16, 2019

The Westin Playa Conchal Beach & Golf Resort

Playa Conchal, Costa Rica

Learn More: [Rjh@agcoho.com](mailto:Rjh@agcoho.com)

## ConstrucTalk

Do you have new employees or has someone received a promotion?

Has your company received an award or recently done anything newsworthy that you would like to share?

Send your information to Taylor Hobbs at [editor@agcoho.com](mailto:editor@agcoho.com).

## SAVE MONEY!

[Businesses and Employees](#)

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## **BuildingOHIO**

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I Build America - Ohio is a movement to generate pride and respect for the construction industry, and to recruit young people into the industry as a rewarding and valuable career.

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