

IN THIS ISSUE:

WAIHONUA TOUR

MEMBER SPOTLIGHT: RAYMOND NII

HCDA LUNCHEON

CFMA CONFERENCE



CFMA NEWSLETTER JULY 2014

PRESIDENT'S MESSAGE



Dear CFMA members,

Get more value from your CFMA membership!

There are many great initiatives that CFMA National has launched to provide all of us with better value for our membership. In this article I'd like to share with you a few tips on how you can use your membership.

1) Read "CFMA's Bottom Lines – Your Monthly Source for Key Industry Insights and News". It is distributed by email to all members. This month's article discussed the June 24th Webinar on the New Revenue Recognition Standard. A whopping 1000 members participated. In addition a 2nd quarter construction outlook was provided. Economic consultant, FMI expects total national construction to grow at the rate of 7% this year and for the next few years. In contrast Hawaii's forecast was much higher at 15% for 2014.

2) Check out a recent webinar by logging on to <http://www.prolibraries.com/>. Use your current CFMA logon ID and password. For example a PDF copy of the New Revenue Recognition presentation is available. It focused on 5 key points: identify contract with the customer, identify separate performance obligations in the contract, determine the transaction price, allocate transaction price to performance obligations, and recognize revenue when (or as) performance obligations are satisfied. Ok, that doesn't really tell you anything that you didn't already know. So get more information by viewing the presentation in the prolibrary!

3) Leverage the CFMA Community Blog to get an industry question answered or even post a job opening for free! Check it out at <http://cafe.cfma.org/participate/PostMessage>.

Bottom line, log on to your CFMA account and check it out.

I hope to see all of you online!

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INDEX

- 1 President's Message
- 2 Upcoming Events
- 3-4 Waihonua Tour
- 5 Member Spotlight
- 6 HCDA Luncheon
- 7-8 CFMA Conference

UPCOMING EVENTS

CFMA GOLF TOURNAMENT

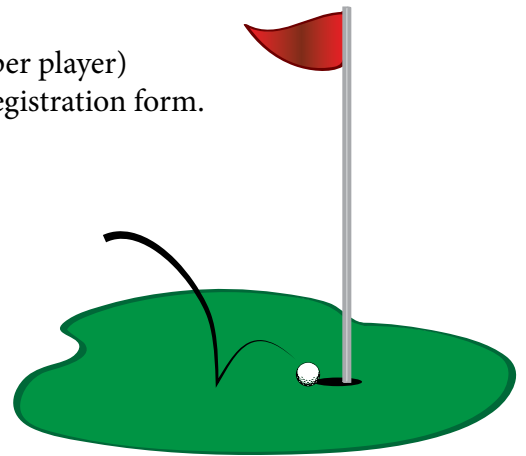
AUGUST 28 AT 10:30AM

EWA BEACH GOLF CLUB

\$100 per player; includes the cost of lunch & heavy pupus after the round.

(EARLY REGISTRATION: If sign-up and check received by July 31, \$90 per player)

See flyer attached at the end of the newsletter for more information and registration form.



CFMA SOCIAL

DETAILS COMING SOON...



WAIHONUA TOUR



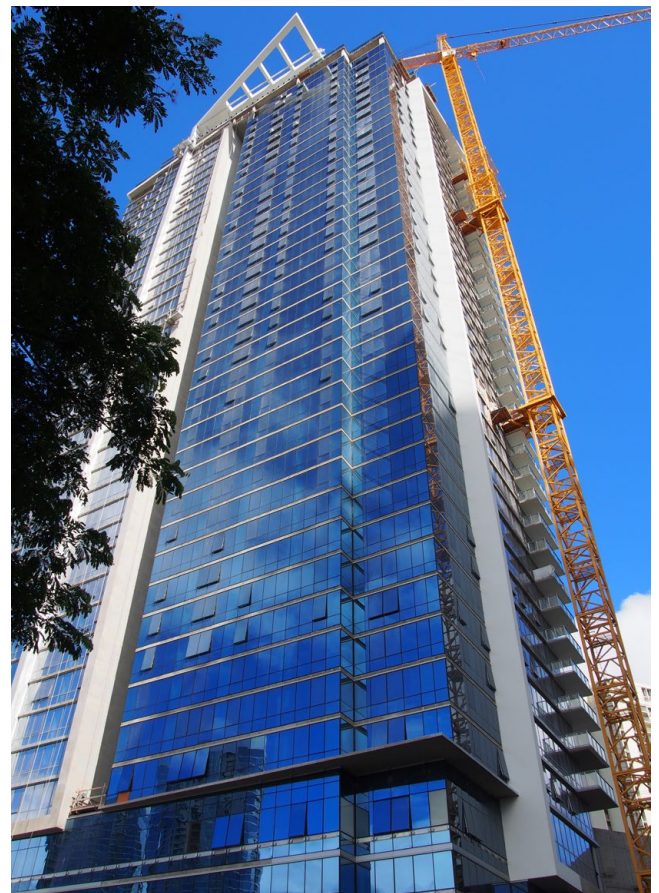
Friday, June 27, was a beautiful summer day, and perfect for CFMA's tour of the Waihonua at Kewalo. Walter Yamane, project manager for Hawaiian Dredging Construction Co., hosted 23 members and guests through the soon-to-be-completed 43 story luxury condominium located across the street from Ala Moana beach.

As shown in the photo, Waihonua is the last in the group of buildings situated in this prominent district, which also include Hawaiki Tower, 1350 Ala Moana, Nauru Tower, Hokua, and Koolani. The close proximity to the other buildings made this project especially difficult, but having built so many high rise towers over the years, HDCC was certainly up for the challenge. Through the use of BIM, many potential conflicts were resolved in the pre-planning stages, and 3D laser scanners were used to help ensure floor flatness and other quality controls. Another new technology on this job was the use of remote controlled drones which can fly out beyond the perimeter of the building to take aerial photos of the construction and surrounding landscape.



Interestingly, we learned on the tour that a new concrete forming technology was initially utilized for this job, but due to the complexity of the pieces and unfamiliarity of the assembly by the crew, cycle times were moving slower than the targeted 5-days per floor. Therefore, a decision was made at the 7th floor to abandon the new technology and revert back to the traditional “flying tables” forming system which HDCC used on other condo projects. This change put them back on schedule and the building structure was completed in May.

The Waihonua floorplan has 9 units per floor, including 1, 2, and 3-bedroom units. Penthouses on floors 41-43 have 7 units per floor and boasts a few 2,000 sqft residences. If that is still not enough room, the typical floors also include an option for owners to purchase adjacent 2 and 3-bedroom units with a common private foyer to enter the two units. In addition to the recreation deck, pool, fitness center, yoga room, and movie theater, another unique amenity of this building are the two guest suites that residents can rent by the day, for visitors who want to stay overnight.



MEMBER SPOTLIGHT

CFMA HONOLULU CHAPTER PRESIDENT-ELECT: RAYMOND NII

I am the Manager of Engineering, Admin, & IDIQ for the Paving Division of Grace Pacific LLC with responsibility for project engineering, contract administrative and cost functions, along with oversight of our Federal contract work area. Grace Pacific, with over 75 years of experience in Hawaii's construction industry, is the largest asphalt paving contractor in the State with paving crews and asphalt plants on Oahu, Kauai, and the Big Island. We are also the Managing Partner of Maui Paving LLC with crews and plants serving Maui and Molokai. In October of 2013, Grace Pacific became a wholly owned subsidiary of Alexander & Baldwin, Inc. Alexander & Baldwin, founded in 1870, is a kamaaina company with a proud local heritage.



PREVIOUS POSITIONS

I started my career at the Precast Yard of Hawaiian Dredging & Construction Company (when there was still an "&" in the company's name!). The Precast Yard supplied precast prestressed concrete products (piles, planks, beams, bridge girders, etc.) to all General Contractors in the State of Hawaii. Over the years, the "Precast Yard" went through a number of name changes – from HDC Precast, Inc., Hawaiian Bitumuls Paving & Precast, to Grace Pacific Precast, Inc. During that time, I also had the opportunity to experience many changes in my role at the Yard: Plant Structural Engineer, Precast Plant Engineer, Plant Superintendent, and Plant Manager.

EDUCATION

Bachelor of Science, Civil Engineering, University of Hawaii, Manoa (long time ago)
Kaiser High School, first graduating class (a very, very long time ago!)
Hawaii Asphalt Paving Industry, President, 2007; Board Member to present
General Contractors Association of Hawaii, Board Member, 2012-2013
Pearl City Lions Club, President, 2013-2014

WHY I TOOK THIS JOB

With my background in engineering, field work, and managerial responsibilities at the Precast Yard, I was given the opportunity (i.e., assigned) to move into a "newly" created position in GP's Paving Department.

BIGGEST CHALLENGE IN MY INDUSTRY

Weathering the cyclical nature of the construction industry (the lows as well as the highs).

BEST WAY TO KEEP A COMPETITIVE EDGE

Continually strive to be the low cost provider of your services while delivering exceptional customer service. Listen, learn, and communicate!

STRATEGY TO OVERCOME ADVERSITY

I always remember a phrase that I learned – "How to do eat an elephant? One bite at a time!" Do not become overwhelmed by the enormity of the whole - break it down into smaller, more manageable size pieces and take on each piece one "bite" at a time.

LONG TERM CHALLENGE

Mentoring the Gen X's and Millennium's – keeping them actively engaged in their work activities. become overwhelmed by the enormity of the whole - break it down into smaller, more manageable size pieces and take on each piece one "bite" at a time.

BIGGEST RISK TAKEN IN MY CAREER

Taking on the position of Plant Superintendent at the Precast Yard – moving from an office environment to the field. I was responsible for up to 75 union workers - their safety, their productivity, and the quality of their work. I definitely learned about the challenges our hourly workers faced out in the field and it gave me a chance to interact directly with them on a daily basis.

BEST CAREER DECISION

Accepting the promotion to Precast Plant Manager. In this position, I was able to learn more about the "financial" side of running a business.

BIGGEST LESSON LEARNED

Everyone contributes to the success of the whole - treat everyone fairly and with respect.

WHEN I WAS LITTLE I WANTED TO BE

Besides dreaming of becoming a professional baseball player, I thought becoming a "draftsman" was something to pursue – being able to draw up something on paper and watch it being constructed.

I'M INSPIRED BY

"Doers" – people who talk the talk and follow through with their actions (be it at work, community service activities, etc.).

FAVORITE WAY TO SPEND FREE TIME

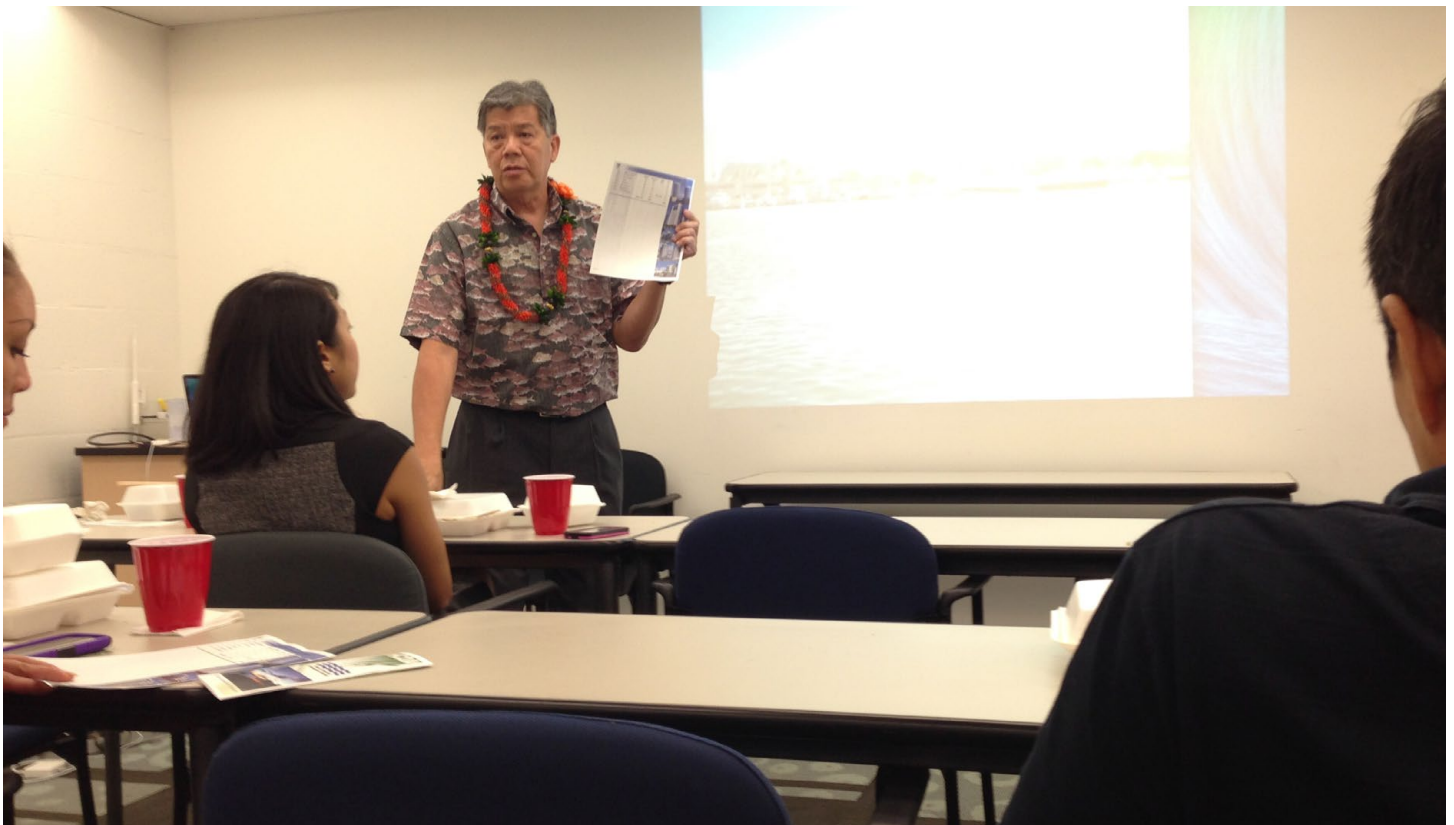
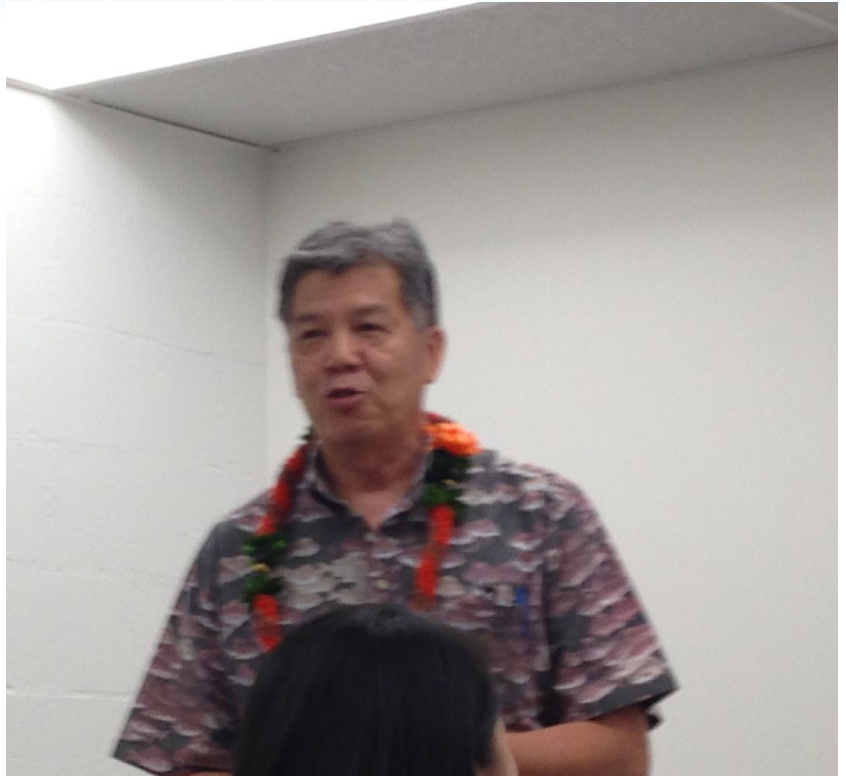
Golfing, puttering around the yard, community service projects with the Lions Club, etc.

HCDA LUNCHEON

On Tuesday, July 1, 2014, Anthony Ching, the Executive Director of the Hawaii Community Development Authority (HCDA), spoke about the current and future development in Kakaako at a CFMA Luncheon held at the GCA of Hawaii.

The HCDA was established in 1976 by our State Legislature to plan for future development of under- utilized urban areas of Hawaii that has potential to provide great economic opportunities to the state once they were redeveloped.

A big mahalo to Anthony Ching for speaking at the CFMA luncheon and to the GCA of Hawaii for having this event at their facilities!



CFMA CONFERENCE

GARRET SULLIVAN

As always, the CFMA conference was a fantastic learning experience, as well as a time to meet new friends and say hello to old friends.

This year's conference held at Caesar's Palace in Las Vegas from June 7th to 11th drew 1100 attendees with four from Hawaii and more than half of the attendees were first timers!

There were several highlights, and here are just a few of the most interesting ones.

Keynote Speakers

Dr. Joseph Michelli provided an insightful talk on why employees want to work at a particular company. Hint—it is the culture and not the money, especially for Gen X and Gen Y.

Doug Pruit, former President and CEO of Sundt Construction, gave an inspirational talk called "Level Headed, One of the Greatest Turn Around Stories in the 21st Century." It focused on the many risks contractors face in this industry and how a very established Sundt Construction lost its way and fought back to be one of the most successful contractors in the country. Leadership at all levels in the company was the key to success.

Anirban Basu, CFMA's economic advisor, provided a very humorous session on the state of the world and US economy. Somehow, he was able to turn the usually boring economics discussion into a very interesting and insightful conversation on the current state of and upcoming opportunities in the construction industry.

James Spellos is a favorite CFMA conference speaker, and as always, he did not disappoint. He reviewed 60 incredible apps in 60 minutes and some of them were mind boggling. For more information, you can check him out at www.meeting-u.com or follow him on Twitter at JSpellos.

During the first two days of the conference there were a total of four mini conferences which were four

hours long and provided CPE credits.

Mini Conferences Included:

- Risk Management
 - IRMI CRIS: Contractual Risk Transfer for Contractors
 - Women in Construction
 - Cash Management and Advanced Cash Forecasting
 - CCIFP Overview Seminar
 - Emergency Management Planning
- There were several Dawn Peer Group (very early morning) meetings, which to my surprise were very heavily attended.

Dawn Peer Groups Comprised:

- Benchmarking: Why You Want to Know How You Compare
- Heavy Highway: What Keeps You Up At Night
- Sub Specialty: Hot & Emerging Topics

A particularly interesting Peer Group I attended was the Medium Size CFO Round Table Discussion (there was also a small and large company CFO discussion). The facilitator provided an overview of some of the most current issues, and then various tables discussed their individual issues amongst themselves. The results are being collected and are soon to be available from CFMA.

There were a total of 35 various presentations to choose from, and it was difficult to narrow down which to attend, as the quality of the speakers was superb. As the majority of speakers are CFMA members, it was truly incredible to see the Best of the Best representing CFMA at this conference.

Probably the two most important "take aways" I have from the meeting are the CFMA Connection Café and the upcoming changes with regard to Revenue Recognition.

Without a doubt, I realized that the CFMA Connection Café has developed into a phenomenal source of information for the construction financial professional. If you are already a CFMA member, all you need to do to



join the Connection Café is visit www.cafe.cfma.org and create your profile, upload your photo, post a question, and you are on your way to making contact with your fellow CFMA members in the US and Canada.

The second take away is the importance of all CFO's to understand the upcoming changes in Revenue Recognition. If you are interested in finding out more on this very important topic, I recommend signing up for the KnowledgeNOW Seminar called "It's Here: The new Revenue Recognition Standard" on June 24th at 9:00AM HST. In addition to outlining the new standard implementation timeline, the webinar will review how the new Revenue Recognition Standard will impact your company. Visit www.cfma.org for more information.

When I return home from any conference, convention or educational training on the mainland, I always ask myself, was it a valuable use of my time and money? Without a doubt, I can attest that this year's CFMA conference was a grand slam and I look forward to the 2015 Conference in early June in Chicago.

I hope you consider attending and I look forward to seeing my fellow CFMAers in the Windy City!



RAYMOND NII

The 2014 CFMA Annual Conference was held at the Caesars Palace hotel in Las Vegas from Saturday, June 7th, thru Wednesday, June 11th. The conference featured many educational sessions and workshops to choose from with topics pertaining to accounting and finance, human resources, heavy/highway, sub-specialty, leadership/management, risk management/surety, along with various breakout sessions featuring peer group discussions. Along with these educational sessions, there were close to fifty exhibitors at the conference hall – this made it convenient to be able to compare one vendor’s product to another! But, it was not all work and no play! For those who were so inclined, CFMA offered everyone an opportunity to participate in a golf tournament, a charity fundraiser (The Amazing Las Vegas Chase), and the closing night party at the Havana Room & Beach Club at the Tropicana Hotel. To sum up the CFMA National Conference: good educational content, good times, and great connections with others in the construction financial industry! Next year’s CFMA Conference is slated for Chicago, IL (June 27th–July 1st)–hope to see you there!

It was “tough” going to a CFMA conference in Las Vegas with so many distractions all around you. Try as I may to put the distractions in the background, I ended up staying up way too late, eating way too much, and hitting the casino floor way too many times during the course of my stay in Vegas. It was a tough five days but I hung in there. Nah! The days flew by as I had another great experience at a CFMA National Conference – as I attended a variety of educational sessions, interacted with the various exhibitors (it was good to compare and to see the latest trends in the industry), and made connections with colleagues from across the country. This year I was able to participate in the Chapter Summit where we got the latest information from National as well as compare “best practices” with other Chapter officers from across the mainland. Also, keep an eye out for continuing educational opportunities forthcoming from National regarding the new Revenue Recognition Standard put forth by FASB and IASB.



MAHALO TO OUR SPONSORS



THE CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION, HONOLULU CHAPTER

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ON THE WEB AT: <http://honolulu.cfma.org/HonoluluHI/Home/>
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