



# HONOLULU CHAPTER

## **SITE VISIT:** **KE KILOHANA**



**JOBSITE VISIT:**  
**TOUR OF THE ARMY DREDGE ESSAYONS**



**NATIONAL CONFERENCE:**  
**2019 CFMA NATIONAL CONFERENCE**





# Ke Kilohana

**Nordic** PCL Construction hosted CFMA on a jobsite visit to their Ke Kilohana project on March 28, 2019. The developer for this project is Howard Hughes Corp and features a 43-story high-rise tower with 424 condo units, of which, 375 units will be sold as reserve housing. Most of the commercial space on the ground floor will be anchored by a Long Drugs flagship store. Thank you, Nordic PCL, for providing us with a glimpse of the good work you have done on this project.







# Carl Bonham's 2019

On May 30, 2019 Carl Bonham, Executive Director and Professor of Economics at the UH Economic Research Organization (“UHERO”), presented an economic update of the Hawaii economy. Highlights noted included:

The strength of the US economy is underpinning Hawaii's growth.

Hawaii has had record number of visitors in the last 5 years but the average spending per visitor declined in 2018. More growth will be hard to find.

Hawaii unemployment was 2.2% in 2018 but is now 2.4%

Hawaii's population has declined in the last 2 years but Oahu's population has declined for three consecutive years. Decline in labor force reduces the unemployment rate.

Population is forecasted to decline further due to outflow of military and dependents.

The threat of a trade war creates a new risk. The first

phase was 25% tariff rate on \$50 billion of goods, second phase adds \$200 billion of goods and will affect consumer goods; third phase taxes everything else. The income tax cuts bolstered the economy in 2018. The tariffs will increase consumer costs and offset the tax cut benefits.

Southwest airlines will have a bigger effect due to new markets.

Federal spending will be flat; has not recovered from sequestration.

Hospitality and tourism dominates job creation but wages are low and real earnings are below previous peak.

Rents reflect weakness and pressure on the population. Rents are lower than 2 years ago.

Forecast an increase in construction jobs through 2020. Private sector permits are currently strong.

Hawaii growth is down but not out.

**Go to UHERO's website for data and forecasts.**







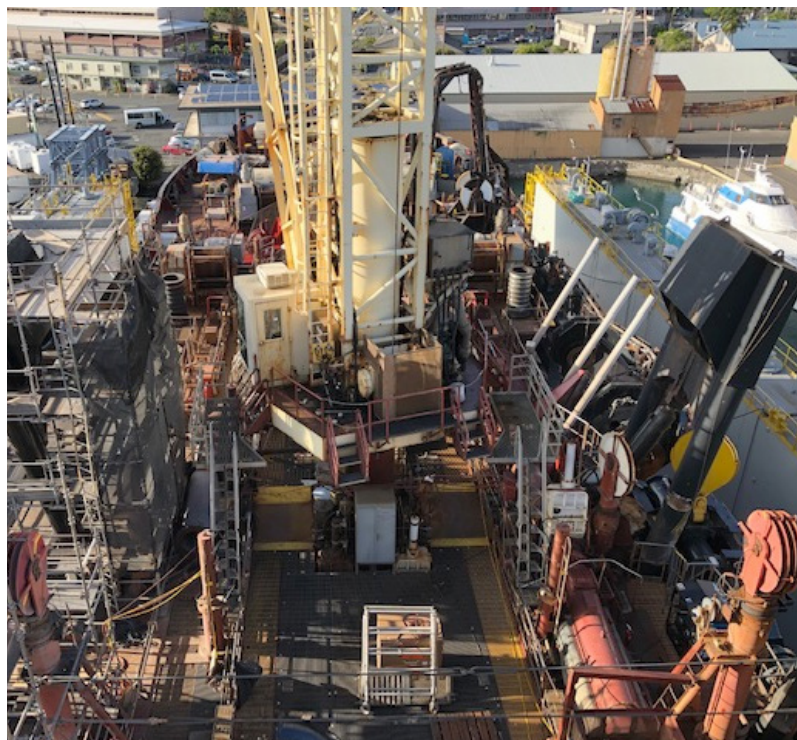
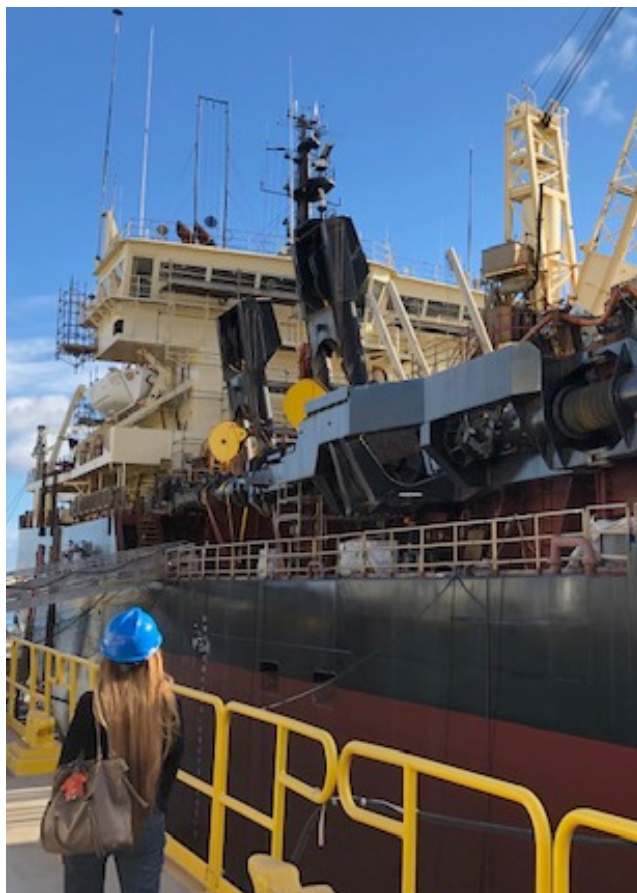
## TOUR OF THE ARMY DREDGE ESSAYONS

On March 12, 2019, CFMA toured the US Army Corps of Engineers dredge vessel named “ESSAYONS” that was drydocked at Pacific Shipyards International’s Pier 24 in Honolulu, Harbor. The term “ESSAYONS” is very important to the Corps. It is their motto and they have a branch song titled “Essayons”. Essayons is a French word meaning “Let us try” and has its roots from the American Revolution when French Engineers helped US Engineers in the war effort.

The hopper vessel Essayons is one of four dredges used by the Corps to dredge harbors on the East and West Coast and in Hawaii. The Essayons measures 333’ x 65’ and has gross tonnage of 7248 and deadweight of 12,500tons. It is based in Portland and maintains the entrance bars, river entrances and harbors on the coasts of California, Oregon, Hawaii and Alaska. It operates from April to November almost continuously during this period. There are







about 24 crewmen on board at a time and they work 8 straight 10-hour daily shifts and then have 6 days off. In one hour, the Essayons can suck up the equivalent of 600 – 11 ton dump trucks. After they suck up the mud and sludge, they take it out to the open ocean and drop their load. In Oahu, they dump it 12 miles off shore. They also use cameras to watch for turtles and specialized equipment to ‘tickle’ turtles away from their suction hoses. From December to March, the four dredges are drydocked for repairs. Most ships are drydocked at most every other year but due to their heavy workload, they are drydocked for repairs and inspection every year. This was the first time that the Essayons was dry docked in Hawaii but with PSI’s new, larger dry dock, it was able to do so. It reached PSI’s drydock capacity of 7500 tons. PSI and its subs put in about 40,000 man hours to get the work completed in three months. Tasks included blasting and painting the hull and different equipment and parts of

the steel ship, a replacement shaft had to be installed which required removal of the propeller, various mechanical work, and repairing and replacing steel panels and structures; Skilled trade workers included painters, welders, machinists, mechanics and electricians along with quality control and safety managers. The ships project engineer was very complimentary. He felt that PSI’s team worked hard daily and he could now see all of the dents in the ship because of the great paint job.

During our tour, we peered into the ship from underneath and then climbed about 80 feet to peer down into the hoppers that hold the dredged material. We went inside the control room and got to see the various screens and equipment used on board the ship. A couple of us played Captain of the ship. It was a very unique and interesting experience for us landlubbers.





## 2019 Annual Conference

# Success Encompassed

By Garrett Sullivan

The 2019 CFMA Annual Conference took place from June 1<sup>st</sup> to June 6<sup>th</sup> in Las Vegas and was a huge success by anyone's measure. This year was the highest attendance ever with over one thousand attendees. There were more than seventy breakout sessions, four key note speakers, a lively and humorous economic update by Economist, Anirbus Basu, a golf tournament and a fun run.

At the Annual CFMA Board of Director's meeting, it was noted there were now more than eight thousand member companies and the Association is financially very strong.

One break out session which seems to grow in popularity and quality each year are the small, medium and large contractor break out round table discussions. The attendees are polled beforehand on which topics are of greatest interest. The CFMA Princeton office then sets up a presenter to address these topics with a

sufficient amount of time for a table captain to facilitate discussion at each table whereby ideas for improvement are shared by attendees. A scribe at each table turns in a report and these improvement suggestions are consolidated with each attendee receiving a copy by email after the conference.

The 2019 CFMA Benchmarker session was particularly interesting as the results of the annual survey were presented. It was noted that Annual Survey Best in Class General Contractors are currently achieving seven percent net income in contrast to the three and half percent in past surveys. It was suggested this is a reflection of the longest economic expansion in the history of the United States.

Year over year, the change in IT available to contractors at the jobsite is mind boggling. The current focus is entirely on cell phones and hand held devices. Contractors are well advised to pay close attention





to these rapid changes and begin to utilize the many apps available to track time, production, and plans etc. which continue to improve in quality and simplicity with each passing month. Additionally, the trend is definitely to move all IT to the cloud and away from home office servers.

A sampling of interesting breakout sessions included the following:

Taking the Numb out of Numbers

Pulling Out All the Stops: Making 2020 Pay Programs Competitive

Tomorrow's CFM: Preparing for the Role as Company Leader

Block Chain Simplified

How to Hack a Construction Company

Secrets of Successful Hiring for Today's Workforce

The CFMA conferences are an excellent way to sharpen the saw of your professional career or improve company performance. The next opportunity will be at the AGC/CFMA Construction Financial Management Conference will be held in the fall in Las Vegas.





# The Annual MEETING



The Annual Meeting and Installation Banquet of the Honolulu Chapter was held on Friday, April 26th, at the Waialae Country Club. Thank you to our immediate past president Ryan Nobriga for your outstanding leadership over the past two years. Let us all pledge to give our support to incoming president Paul Kenndey and the Board of Directors as they set the course for the chapter in the coming fiscal year.









# Mahalo

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