



# CONSTRUCTOR

■ The Voice of the Kansas City Construction Industry

■ SUMMER 2012

## A Word From the President

### Cautiously Optimistic:

By Jerry Wiedenmann, President

When I came on board as president of our Association this year, I said that the huge need for infrastructure improvements made me optimistic about our industry.

Now, a bit more than half way through the year, the needs are greater than ever. The difficulty lies in coming up with the funding to meet those needs.

Nonetheless, I continue to be optimistic for our companies and the livelihoods of our dedicated employees.

For example, more building permits are being taken out for houses in areas such as Blue Springs. This is an indication of growing confidence among area residents. New home construction leads to greater demand for improvements to transportation and water infrastructure, which benefits members of our Association.

We should all take encouragement from the transportation bill that Congress passed recently. The bill is

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Jerry Wiedenmann  
HCA President

## The Mayor is Listening ...

### Aug. 7 Ballot Questions Carry Big Construction Impact

By Bridgette Williams, Deputy Director

After years of raising a hue and cry over the problem of deferred infrastructure maintenance in Kansas City, it's gratifying to know that someone is finally listening to and appreciating the experience and perspective of our Association.

It's been a long time coming. Two years ago, we applauded the Greater Kansas City Chamber of Commerce for laying it on the line in its Deferred Maintenance Report.

"Residents continue to rate street maintenance and improvements as one of their top issues, yet Kansas City continues to greatly underfund those programs," the Chamber said in its report. "Kansas City has averaged \$16 million in street resurfacing, while the need is \$35 million."



We have been talking to Mayor Sly James about this issue ever since he took office. And we are happy to say that our concerns have been acted on. The result of our consistent lobbying is the KCMO vote on ballot measures that will address the city's long neglected infrastructure. With strong support from Mayor James, the City Council approved two questions for the Aug. 7 ballot:

- To repeal several park property taxes and create a street maintenance fund—if voters approve a ½ cent sales tax increase for parks. By voting yes, a dedicated street maintenance and repairs fund will be established for the first time. This permanent fund doubles the current amount budgeted for street maintenance and repairs. This fund cannot be changed by this or future city councils without a vote of the people.
- To authorize a \$500 million bond, primarily for the city's federally mandated sewer overhaul project.

#### More Dollars Dedicated to Maintenance

These two ballot issues were designed to address the deferred maintenance problems we have been pointing out for such a long time. For the first time, we're seeing actual dollar amounts dedicated to street maintenance and preservation and being put in a lock box. The city's intent, as communicated to us, is to build that up as close as they can to \$30 million per

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# MAKING IT BETTER

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## Fed's Transportation Program

# Kansas and Missouri Feel Cuts, But Welcome Flexibility

**T**he new federal transportation program cuts funding for Missouri and Kansas, but transportation officials in both states say they are pleased by positive aspects of the legislation.

Just before a long-anticipated expiration deadline, Congress passed the new program at the end of June. The legislation provides funding for 27 months, at a cost of \$120 billion.

**“We know the motor fuels tax is not a long-term solution to transportation funding.”**

Dave Nichols, MoDOT chief engineer, said the new program calls for Missouri to receive federal funding of \$911 million a year for two years. That's \$71 million a year less than the average \$982 million a year Missouri received under the previous federal transportation program known as SAFETEA-LU (the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users).

“So that's a little bit of a challenge,” Nichols said. “We're going to work through that.”

Steve Swartz, KDOT's public information officer, said federal transportation funding for Kansas will drop from \$392 million in fiscal year 2011 to \$366 million in fiscal year 2012.

But Swartz said Kansas is “OK with our funding.” He said the \$8.2 billion T-WORKS (Transportation Works for Kansas) program that Kansas enacted in 2010 “estimated our federal funding at 2009 levels. So we're OK, because we were conservative in our estimates of federal funding.”

Despite the funding cut, Nichols pointed to good things that were included in the new federal program.

### *Quicker Delivery Promised*

“They did some streamlining of environmental clearances for projects, which helps in the quick delivery of projects,” Nichols said, though he added that this is not a big issue in Missouri.

Furthermore, Nichols said, the new program takes more than 60 previous categories of federal funding and combines them

into four categories. “That really helps the states have flexibility in how those dollars get spent,” he said. “That will help streamline the project delivery process.”

Swartz said Kansas transportation officials “appreciate that the federal government has enacted a highway program and that we now have clarity on how to manage our budgets going forward. It gives us two years of certainty in federal funding. The Brownback administration is committed to maintaining our nationally recognized highways by implementing T-WORKS and looking for new opportunities in intermodal transportation development.”

Nichols noted that Missouri is working with a state transportation budget that is approximately half of what it used to

be. Nevertheless, he emphasized that all projects committed to by the Missouri Highways and Transportation Commission will be completed.

Perhaps the biggest disappointment of the new federal program is its failure to address the fundamental question of how to continue funding our nation's transportation system for the long term. The 18.4-cent per gallon federal gasoline tax hasn't been raised since 1993 and no longer raises enough money to sustain the system, but Congress has not been willing to raise the tax or seriously explore alternative funding methods.

“We know the motor fuels tax is not a long-term solution to transportation funding,” Swartz said. “In the long run, something else is going to have to happen.” ■

## KC Star Editorial:

# Highway bill full of potholes

With the nation's transportation program facing an expiration deadline last Saturday, Congress rounded up its last few remnants of bipartisanship and passed a bill to keep the concrete flowing for two more years. It was far from ideal, but given the level of acrimony in the Capitol, it was probably the best that could be expected under the circumstances.

Normally, these big highway bills set up a program for five years. This one will continue current funding levels for 27 months for a total cost of \$120 billion.

Unfortunately, the measure does nothing about the biggest long-term problem confronting the nation's method of transportation finance. For decades, we have relied on a user-fee concept—a fuel tax—to pay for major projects such as the interstate highway system. You only pay the tax if you drive and use the roads.

A user fee is still the best way to finance such major projects, but the 18.4-cent federal gasoline tax hasn't been raised since 1993. Meanwhile, many people are driving less because of the sluggish economy, while cars have become more fuel efficient. That means fewer gallons of fuel sold relative to miles driven—and a shortfall for the Highway Trust Fund that has to be made up with general revenue.

In an election year and in a time of sluggish economic growth, an increase in the fuel tax would have been severely punished by the voters. But Congress cannot ignore this problem forever. A U.S. Treasury study estimated that congestion costs the nation \$100 billion a year in wasted time and wasted fuel.

Nor can we continue dipping into general revenue in an era of trillion-dollar deficits. The fuel tax must be raised or supplemented with some other sort of user fee, and Congress must do more to encourage private investment in roads and transportation, financed by tolls. Many will complain about the higher levies, but the costs of doing nothing means more hours stuck in traffic, and many more gallons of wasted fuel.

July 11, 2012, Reprinted with Permission

## MEMBER PROFILE: Radmacher Brothers Excavating

# Family Operation Digs in to Survive and Thrive in These Lean Times

Besides being a close-knit family business, Robert Radmacher said the key to the success of Radmacher Brothers Excavating Co. is not putting too many eggs in one basket.

Radmacher Brothers not only grades and shapes all sizes of construction sites, but builds roads, highways and bridge and installs utility lines that have ranged from eight to 114 inches in diameter. The company has had contracts ranging from \$10,000 to \$32 million.

The flexibility to do so many tasks on a job site has helped Radmacher weather slowdowns in the construction industry, said Radmacher, president of the company. The willingness to take jobs large or small also helps, he said.

### *Diversity Best Defense in Recession*

"If we don't get some of those jobs, it won't kill us," he said. "We are diversified enough to get by."

Radmacher Brothers, based in Pleasant Hill, has been in business since 1980. Robert was the first brother in the company and was later joined by older brother Thomas and younger brother Kenneth, who are vice presidents.

Robert runs the office and is in charge of doing project estimates. Thomas oversees work in the field and Kenneth is in charge of the utilities projects.

Family trumps the bottom line at Radmacher Brothers, Robert said. "The secret of having a family business like this is that your brothers



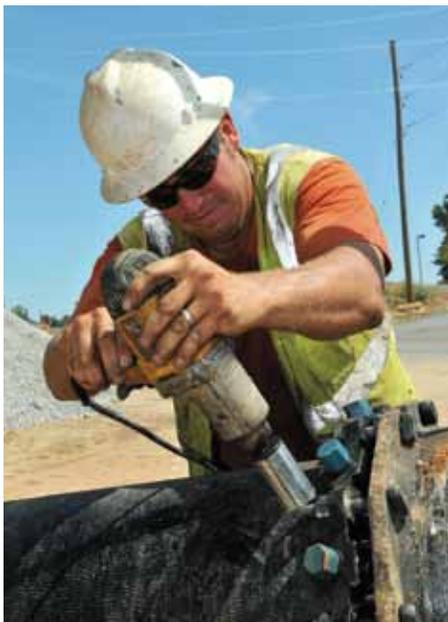
have to mean more to you than any amount of money," Robert said. "A lot of companies break up over money. My brothers have always been my best friends. We never have any arguments over money."

The heavy construction business is still in a recession, Robert said, but that doesn't keep him from enjoying his job and responsibilities.

"It's the challenge of coming in here, looking at a job and figuring out the quickest and best way to get it done," he said. "It's the challenge of getting it done right and on time." ■

## 2012 a Year For Plugging Leaks!

# No Letting Up In Topeka and Jefferson City



This year's legislative sessions in Topeka and Jefferson City were roundly criticized for obsessive partisan politics and a dearth of constructive legislation.

However, everyone should be aware that hard work by our Association helped prevent the Kansas Legislature and Missouri General Assembly from taking actions that would have hurt our industry and our employees.

Due largely to our efforts, we came out of both legislative sessions intact. The Kansas highway program retained the funds we fought so hard for earlier. There were two separate attempts to divert money from Kansas highways. One would have absconded with \$400 million over five years. We defeated that effort. That was followed by a scheme to funnel \$75 million worth of state highway dollars into education. We helped defeat that move on

the last day of the veto session.

Our Association battled mightily for those outcomes in Topeka, but we couldn't have achieved what we did without our friends in the Kansas Senate. Quite a number of those friends are Republicans, as well as Democrats. Significantly, all of them are moderates. They are the folks who are now under attack by Gov. Sam Brownback, the Kansas Chamber of Commerce and the group known as Americans for Prosperity.

In Missouri, efforts to get rid of Prevailing Wage regulations and enact Right to Work legislation almost made it to the front burner. We believe Prevailing Wage rules are good for our employees and our industry, just as we believe Right to Work legislation would be bad. Fortunately, both of those efforts were pushed back thanks to various procedural machinations that occurred in the Senate. ■

## Cautiously Optimistic:

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not perfect, but it keeps highway and transit spending at stable levels for the next two years.

I am encouraged that the Kansas City, Mo. City Council is putting greater emphasis on infrastructure improvements, and I am hopeful about the two questions being put before the city's voters on Aug. 7. The two questions are:

- To repeal several park property taxes and create a street maintenance fund—if voters approve a half-cent sales tax increase for parks.
- To authorize a \$500 million bond, primarily for the city's federally mandated sewer overhaul project.

These measures represent steps in the right direction toward addressing our city's long-neglected infrastructure needs, and I strongly urge our members to vote yes and/or advocate for their approval.

As members of an Association that deeply cares about our community, we need to set a positive example and encourage good, common sense ideas on taxing and spending. We've got to be careful to not simply beat the drum for higher taxes to fund infrastructure. We don't want to over reach. We've got to make sure that taxes go toward the infrastructure improvements that people voted into place.

We're not out of the woods yet, and many challenges lie ahead. But I firmly believe that by pulling together and exerting a positive influence, we can help the Kansas City area undertake the infrastructure improvements needed for our community's ongoing safety and job creation. ■



“As we continue to battle, tooth-and-nail for every bit of infrastructure-related legislation, and every needed dollar of infrastructure funding, our members continue to find work wherever they can to keep the valued men and women of our industry working. Hats off to our contractors who, in one of the hottest, driest summers on record, are still out there making it better.” ~Bridgette Williams, HCA Deputy Director



# New KDOT Chief Has a Constructor's Eye

**Y**ou might say that construction contractors have a kindred soul in the new secretary of the Kansas Department of Transportation.



Mike King was in the construction industry for more than 30 years when he became KDOT secretary in April. King was president and majority owner of King Enterprise

Group in McPherson, Kan., which he put into a blind trust upon becoming secretary.

King said he certainly understands the industry and will do all he can to protect the state's 10-year, \$8.2 billion T-Works program for road and bridge construction. But King said he can't get too cozy with contractors he knows so well.

"I'll have fewer golf games with them," he said with a laugh.

King, 52, will try to keep the Kansas Legislature from raiding the T-Works budget, as it did last year in diverting \$200 million to the general fund. The budget for the state's share of road projects is \$600 million for the new fiscal year and climbs to \$700 million next year.

King said he has cultivated good relationships with state lawmakers that he hopes will help in keeping T-Works fully funded.

"One hundred percent of our legislators care about transportation," King insisted, adding that Gov. Sam Brownback has also

said he wants to avoid raiding T-Works funds.

King, a graduate of John Brown University, a Christian school in Arkansas, started in construction in 1977 pouring concrete. He is the third generation of his family to work in the industry.

Married and with four children ages 16-22, King said his shift from the private to public sector has made him think broadly because every community has road and bridge priorities.

"You really have to view things from a statewide level," King said. "Everyone has their needs and they are all different."

King said his approach will be to put a priority on safety, both in terms of driving and in road projects. He also promised to look for every efficiency in his \$1.6 billion department so as much money as possible can go for roads and transportation work.

"Every dollar I can save here or there, I'm going to do it," King said. ■

## Aug. 7 Ballot Questions Carry Big Construction Impact

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year for street maintenance. About \$15 million of that would come from 7.5% of the earnings tax. To that would be added another \$9 million that's already in the city budget. That would bring us up to \$24 million, and the mayor is hoping to get another \$5 million or \$6 million to bring it up to \$30 million.

What that \$30 million represents is being able to hold the line on street maintenance. That will create a foundation for the city to be able to build on, to enable Kansas City to get more aggressive in future years and attack its backlog of deferred infrastructure projects.

You can be sure that this kind of lobbying would not be possible without your participation in our Association - the dues you pay and your highly-valued input on the issues that impact all of us. We have carried your message to the mayor, and he has listened to us and acted on our behalf.



Mayor Sly James

### *Much at Stake in KCMO*

Question 1 on the ballot would revise Kansas City's tax code and guarantee an increased and stable source of funding for overdue street repairs and maintenance, creating much-needed work. Question 2, which calls for a major upgrade of the city's sanitary sewer system, could have an even bigger impact on the local construction industry. Here's what it does:

- Authorizes \$500 million in bonding authority, allowing a city utility such as Water Services to finance capital projects now and pay off the bonds over 25 to 30 years.
- Accelerates the city's sanitary sewer system repairs, without a tax increase.
- Coupled with the street maintenance sought in Question 1, creates an estimated 20,000 jobs over the next five years.

"By using bonds with low interest rates to finance capital projects, we can make more repairs faster and improve our city's sanitary sewer system," said longtime utility expert and Question #2 supporter Bill Downey. ■



# Looking Past the Political Lip Service Support Candidates Who Have the Guts to do What They Promise

By Edward R. DeSoignie, Executive Director

**A**s I sit down to write this column, I am painfully aware of the fact that our industry is now in the third or fourth year of an economic slump. Far too many of our Association members have experienced the pain of dwindling revenues and, worst of all, having to lay off highly valued employees.

Amid all the pain and anguish, we have fought long and hard to maintain our industry and will continue to do so. Part of that fight means we have to support folks running for elective office who understand our message and are willing to do something about it. We frequently encounter candidates who say “highways are really important. They’re lifelines for us.” But when we ask them to vote to increase funding for transportation or take some other constructive step on our behalf, they start skating on us and disappear.

With all the problems our cities, states and nation face regarding infrastructure, it’s time for all of us to take a long, hard look at the folks we’re putting in office. Let’s make sure these people are ready to deal with the problem and not just kick the can down the road. We need to know specifics on how they’re going to address the roadblocks to infrastructure funding. Are they willing to raise gasoline taxes? If not, are they willing to support alternative methods of funding, such as a vehicle miles traveled tax?

The recent passage of a new federal transportation program was encouraging, but this is no time to break out the champagne. I suggest we take note of a July 11, 2012 Kansas City Star editorial, entitled “Highway Bill Full of Potholes.”

“Unfortunately, the measure does nothing about the biggest long-term problem confronting the nation’s method of transportation finance,” the editorial stated. “The fuel tax must be raised or supplemented with



Edward R. DeSoignie,  
Executive  
Director

some other sort of user fee, and Congress must do more to encourage private investment in roads and transportation, financed by tolls.”

Yes, Congress passed a transportation plan—thank you very much. But it’s just another bookkeeping gimmick. Our country is still running out of money for transportation, and that’s not going to change until lawmakers in Washington roll up their sleeves and do something about it.

When an industry and jobs are at stake, voters sometimes must separate their personal politics from their business politics. Whatever one’s political philosophy may be, we should all recognize the fact that our industry to a large extent depends on public funding.

In that vein, I urge the members of our Association to vote for and/or advocate for the two questions on the Aug. 7 ballot in Kansas City, Mo. If these questions are approved, part of the result will be the establishment of a dedicated street maintenance and repairs fund. This permanent fund will double the current amount budgeted for street maintenance and repairs. This fund cannot be changed by this or future city councils without a vote of the people.

So when election time comes, please consider the impact of your vote on our industry and our ongoing quest to make it better.

Please consider the list of Kansas candidates supported by our Association when you cast your vote August 7:

## Citizens Panel Eyes Missouri Highway Needs

**A** statewide citizens panel that includes Heavies Executive Director Ed DeSoignie is wrapping up a series of meetings held since late April to look at future transportation needs in Missouri.

The Blue Ribbon Citizens Committee, appointed by Missouri House Speaker Steve Tilley, is comprised of 21 business leaders, construction professionals and state transportation officials. It has met in locations all round the state, and will finish up with a meeting Aug. 6 in Lee’s Summit.

“We need to start a conversation with all Missouri citizens to make sure our transportation system can function at a level that will foster economic growth and handle growing traffic safely and efficiently,” Tilley said.

The panel will compile a report with recommendations on solutions to the state’s many highway and transportation needs.

DeSoignie said the meetings have gone well.

“They have been very informative and have demonstrated the broad support that exists in all areas of Missouri with the public and businesses for needed road improvements,” DeSoignie said. “The public appears uncertain on the issue of tolls.”

DeSoignie hopes to see resurgent interest in state highway needs.

“The issue has been silent in light of other issues with our state and national economies,” he said.

The final committee meeting is scheduled for 10 a.m. Monday, Aug. 6 at the Gamber Center, Shenandoah Room, 4 SE Independence Avenue in Lee’s Summit. ■

## HCA-Supported Johnson and Wyandotte County Senate and House Primary Race Candidates

### State Senators

- Pat Pettey (D), 6th District
- Kay Wolf (R), 7th District
- Thomas Owens (R), 8th District
- Tom Wertz (R), 10th District
- Pat Colloton (R), 11th District
- Joe Beveridge (R), 21st District

### State Representatives

- Barbara Bollier (R), 21st District
- Larry L. Campbell (R), 26th District
- Ron Worley (R), 30th District



# 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) 756-6443



**ARTBA** American Road & Transportation Builders Association

photography by Jeff Roberts

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## kcICON/Christopher S. Bond Bridge Wins Prestigious Award

Our Association took great pleasure in the recent announcement that the kcICON/Christopher S. Bond Bridge received an America's Transportation Award.

According to the entity that bestows these prestigious awards, they are meant to recognize the greatest transportation projects accomplished each year by state Departments of Transportation. From building new bridges and interchanges, to easing congestion and improving safety and metropolitan mobility, these projects instill an appreciation of transportation as a key element of our quality of life.

The competition, co-sponsored by AAA and the U.S. Chamber of Commerce along with AASHTO (the American Association of State Highway and Transportation Officials), was launched to build support for transportation at the federal, state, and local levels.

The awards entity noted that the \$245 million kcICON/Christopher S. Bond Bridge project improved driver safety and greatly reduced congestion in Kansas City by widening 4.7 miles of Interstate 29/Connections 35, the state's most heavily traveled river crossing corridor. Construction began in April 2008 and was completed in December

2010, more than six months ahead of schedule. This enabled Missouri to be one of four states that won awards in the Ahead of Schedule category.

This was MoDOT's second design-build project and the single-largest highway contract awarded in the area. The project included a cable-stayed bridge and improved corridor aesthetics, reconstruction of five interchanges, 12 land bridges, and miles of retaining and sound walls.

In addition, this greatly admired project provided a much-needed dose of work for our Association members and their dedicated employees. Indeed, the project employed more than 450 people at a time during peak construction periods. Laura Wagner, who was the public information officer for kcICON, noted in the fall of 2010 that more than a million man hours had been logged on the job at that point.

The project also gained a national reputation for the success of its on-the-job training.



Up to \$1.25 million of the project budget was geared toward workforce diversity.

The kcICON/Christopher S. Bond Bridge replaced the Paseo Bridge and reconstructed/rehabilitated about four miles of Interstate 29/35 just north of Armour Road. It created Missouri's widest bridge-deck concrete pour – a whopping 134 feet – and greatly improved safety and convenience for the traveling public.

The work was done by Paseo Corridor Constructors, a joint venture partnership of Clarkson Construction Co., Massman Construction Co. (both HCAGKC members) and Kiewit Construction. All three have extensive bridge construction experience under their belts. ■