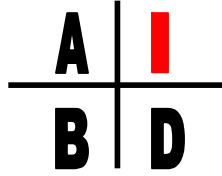


Great Lakes Design Line

The Newsletter of



American Institute of Building Design, Michigan Society
www.aibdmi.com

Fall 2005

PRESIDENT'S MESSAGE

By David Velderman, PBD

Again I am pleased to summarize the activity of our local and national organizations as there are many things in the works. Welcome also to our many new members! I hope all of you are busy in your companies. The local economy appears to be good - spotty, and has some infrequent surges of business. Ironically, as much as we may not want to, the construction industry in Michigan is influenced by the automotive industry--regardless of the location in the state. Winter is here and builders scrambled for last minute concrete pours--a good sign of our previously designed work and of upcoming potential work.

The Fall Conference in Petoskey was a great success, as many of you experienced first hand. Gordon Hoehle, our National AIBD President, attended and thanked us for the great example we set here in Michigan. There were many great areas of discussion at the conference and one of them was the outsourcing of your design development. There is a very good article in this newsletter written by Jerry Carter about being a superior design professional and he addresses this very issue and has some wonderful viewpoints to share. I would love to hear your opinion about this or any other issue you have a strong feeling about. Remember, you get CEs for this as well. Either send me the response (to the newsletter address, e-mail me, or go online to our website chat area. Please let us know since this is how we can best represent you and your goals for your company. Let us use your money wisely.

AIBD - Michigan really needs your involvement, attendance and voice to make your desires a reality. Many of you have heard the "soap box" I often get on about becoming a certified member and to always pursue learning in this profession. I strongly believe this as I cannot imagine being able to do this profession if I wasn't able to continually learn. This is a strong vision of the National organization as well. As a designer and structural engineer, I am always needing to do something a new way and many times am teaching myself, however I can. This vision of "continually learning" is what makes me a better designer, makes my company better known, and supports the visions of AIBD-MI, which is to be able to design whatever our customers desire with no one telling us otherwise. We are pursuing: more certified designers in Michigan with the upcoming February certified exam; Michigan Colleges and Universities to consider classes in residential design; and working with the ICC to include Certified Professional Building Design in its "acceptable code supported designers" for future residential work with no limitations. I hold the vision of this coming to fruition or having made a lot of advances within the next 5 to 10 years. All of these will best level the playing field for you, your company and any other design professionals. Depending on our efforts, it may be a requirement. Our customers will benefit by having skilled qualified individuals designing their home or building. Your voice can make this happen for us in Michigan and nationally as well. Many of you have shared your vision with me and now we all need to have our Michigan organization back these so that they become reality.

I would love to hear from all of you. I will be calling those who have expressed an interest, throughout the holidays, so that 2006 can be a productive year for all. If you wish to attend, some of us will be doing a brief, luncheon get-together, in the Detroit area--just to stay in touch. A happy holiday to you and I thank you for the blessing that you are. Life is Good!



ENERGY CODE UPDATE

The lawsuit filed by the Michigan Association of Home Builders, to overturn the governor's acceptance and implementation of the new ICC Energy code provisions for increased standards, has been postponed from October 31, 2005 to January 3, 2006. I will keep you informed of further developments.



Jess Adler
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that you won't want to miss on Thursday, with prizes for those attending. Many of these prizes will be significant (weekend get-aways, major products, etc.) and are only available to Thursday attendees. It will be well worth your time to be there.

The **FALL** 2006 Conference is also scheduled and will be held in Grand Rapids, Michigan, October 5 through 7, 2006. We will be doing a Heritage Hill Home Tour. More details will follow via e-mail and mailings as they become available.

Please remember, these conferences are always scheduled to give new product awareness, technical and business skills presentations, and architectural historical information--all in a location that is great for bringing your spouse and family, and for enjoying each wonderful, different area as a vacation and business trip. Everyone benefits by attending.

AIBD HOSTS IBS DESIGN CONTEST

The American Institute of Building Design (our national organization) is hosting a design competition for a "Show Home" at a golf course's 13th hole in Orlando, Florida. The finished winning home and design will be prominently displayed at NAHB's International Builders Show of 2007, along with tours and media coverage. There is a \$195 entry fee and all sketches/floor plans must be entered by 1/3/06. This is a great opportunity to showcase yourself and potentially get great publicity on a national level for your abilities. Go to www.aibdmi.com or www.aibd.com for more information and details.

2006 CONFERENCE SCHEDULE DETAILS

AIBD-Michigan's Spring and Fall 2006 Conference dates are known. Put them on your calendar so you don't forget. The **SPRING** 2006 Conference is another first. For the first time it will be held in downtown Detroit at the new Hilton Garden Inn, located at 351 Gratiot Avenue. The dates are March 30 through April 1, 2006. Don't worry springbreak vacationers, Easter is on April 16 in 2006. Greg Stafford has done a great preliminary job in setting this up. A historical/newer building tour is being worked out as well. Many locations on the Saturday tour are not available on your own. There will be a possible dinner in Greek Town, along with many other great sights of the fun side of Detroit. The conference is scheduled for a 2-1/2 day period, so as to better fit in all the activities and still give time for a round-table discussion and other casual events. We are doing this format to also have more vendors and to give them time to chat with you one-on-one Thursday evening. We will be having a cocktail hour and dinner



DATES OF INTEREST FOR THE DESIGN PROFESSIONAL

- 1/3/06 Deadline for AIBD/NAHB Design Contest. Displayed nationally at NAHB's 2007 Home Show. For entry form and details www.aibdmi.com or www.aibd.com
- 1/5/06 Deadline for Residential Architect Magazine Design Awards www.residentialarchitect.com.
- 1/11 – 1/14/06 2006 NAHB International Builders Show, Orange County Convention Center, Orlando, FL www.buildersshow.com
- 1/16/06 Dealine for Custom home Design Awards 2006. Magazine honored awards. www.customehomeonline.com.
- 2/17 - 2/18/06 Tentative dates for the NCBDC Exam in Michigan
- 3/30 - 4/1/06** **AIBD-MI Spring Conference, Hilton Garden Inn, Detroit, MI.** For hotel reservation call 313-967-0900. For more details www.aibdmi.com
- 4/20 – 4/23/06 2006 Kitchen & Bath National Expo, McCormick Place, Chicago, IL www.kbis.com
- 10/5 - 10/7/06** **AIBD-MI Fall Conference, Grand Rapids, MI.** No hotel yet, but tour is set up. Details to appear on website as they become available. www.aibdmi.com

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STUDY LINKS UNVENTED GAS HEATERS TO ASTHMA SYMPTOMS

By Ted Cushman, Journal of Light Construction, *March 2005*

Combustion gases pose risk to students, researchers say. So-called “vent-free” fireplaces, gas logs, and heaters are found in many homes and permitted in most jurisdictions. Researchers are still investigating the potential health effects of breathing the carbon dioxide, oxides of nitrogen, and nitrous acid vapor that unvented burners emit into the home.

Previous statistical studies have yielded inconclusive data about whether fumes from unvented gas burners could trigger asthma symptoms or exacerbate existing asthma. But a recent Australian study seems to have found a clear link between gas heaters and asthma attacks.

Unvented heaters are widely used in Australian schools, 18 of which were selected for the study. In eight randomly chosen schools, unvented heaters were replaced by vented heaters or by electric heat, while in a control group of 10 schools, the unvented units were left in place. Students in the schools that received the change-out showed a sharp decline in asthma attacks, reporting a lower incidence of tight chest, difficulty breathing, and “rescue medicine” use.

A randomized, blind experiment of this type is better able to identify cause and effect than the more usual backward-looking statistical analysis, researchers say. To ensure unbiased results, school authorities agreed not to inform staff or faculty about why heaters were being modified. Students and their parents were not told that the heaters were part of the study, and interviewers were kept in the dark about why children were being asked about asthma symptoms.

“It is likely these results could be extrapolated to other countries where unflued gas heating is present in schools,” said the authors of the study, “and it is also reasonable to suggest this is further evidence for minimizing the use of unflued gas heating in other settings, such as in the home.” The full study is posed at ije.oupjournals.org/cgi/content/full/33/1/208.

THE LIMITED LIABILITY CORPORATION: IS IT FOR YOU?

By Joan E. Lisante, Journal of Light Construction, June 2003

Limited liability corporations (LLCs) have become “hot” during the past decade, with more and more businesses adopting the form. What’s the appeal? The biggest reason to switch from a plain-vanilla sole proprietorship is to limit liability, as the name says. If you’re a sole proprietor, both your business and your personal assets are at risk if someone sues you and wins a judgment against you. Incorporating your business as an LLC puts a wall around personal assets such as your house, retirement account, or kid’s college savings. Payment for business debts or legal judgments can only be satisfied from capital paid into your business. An LLC won’t protect your assets if you personally guarantee a debt, however. For example, a lot of loans and lease agreements you might be asked to sign on behalf of your company contain language stipulating that you will personally guarantee the debt. If you sign one of those things, you lose the protection afforded by the LLC.

How It Works. Under the LLC format, shareholders or owners, are called “members”. Each member gets a percentage ownership, which can be decided any way you choose. Most one- or two-member LLCs manage themselves, but you’re free to hire outside management help if members are too busy working to keep a careful eye on the big picture. Unlike a traditional corporation (“C” or “subchapter S”), an LLC doesn’t have to slavishly match profits or losses to the capital each member puts in. A member who’s contributed 40% of operating capital could, for example, take 50% of the profits, depending on your setup.

Tax simplicity. You don’t have to file a separate business return with an LLC. Profits and losses can be reported on Schedule C of your individual tax return. If there’s more than one person in your LLC, one more piece of paper is required--form 1065, which tells the IRS how much each person earned. Also, there’s no “double taxation”--taxing both your business and you as an individual--as there is with a traditional “C” corporation.

The Downside. Of course, some aspects of operating as an LLC are less appealing than others. A lot depends on your goals and the amount of time you’re willing to spend on corporate housekeeping. Here are some things to keep in mind when deciding if an LLC is right for you.

Paperwork. Every LLC has to write an operating agreement and file forms with the state corporation commission or secretary of state. This includes legal papers such as “articles of organization” or a “certificate of formation”. The forms would include the LLC’s name, address, agent for service of process, and the names and addresses of managers. Most states post the rules and required forms online. You’ll need to write an operating agreement listing the rights and responsibilities of members. In a regular corporation, these would be contained in the bylaws. Items typically covered would include each member’s percentage interest, how you’ll allocate profits and losses, rules for meetings and voting, and “buy-sell” arrangements for members who leave the LLC.

Offering benefits. You’ll also need to decide how important it is to have fringe benefits. Unlike a “C” corporation, an LLC cannot deduct benefits like health insurance and a retirement plan as business expenses. Incentives like stock bonuses don’t work well under the LLC format, because there’s no stock. Of course, in a small company, that may not matter at all. Unlike a “C” corporation, an LLC is a “pass-through entity”, the same as a partnership or sole proprietorship. Members of LLCs have to pay Medicare and Social Security tax on their entire share of the earnings. This includes salary and profits, even if the profits are not distributed to you. Self-employment taxes for 2003 are 15.3% up to \$87,000 and 2.9% of everything above that amount. Members who are not active in the business may not be subject to this tax.

Something To Think About. An LLC is not for everybody. Only you, with the help of a lawyer and accountant familiar with your business, can pick the best blueprint for your company. Look at your own needs, talk with other contractors, and run the numbers. You need to decide if liability protection and flexibility in running the business and allocating income have enough value to offset the tax consequences (if there are any) and added paperwork. Then follow through so your setup is legal.





FEATURE DESIGNER PROFILE

JAY NOONAN

A Very Skilled Hometown Designer To Admire

By David Velderman

Jay Noonan is our feature designer this newsletter and I admire all of his skills, experience and professionalism that defines Jay and which is what AIBD is all about also. This article, hopefully, will give you a taste of what is known (or maybe not known) about Jay.

Jay was born, raised and lives in Clarkston, Michigan. He got his undergraduate architectural degree at Lawrence Tech University in 1985. Upon graduation he worked for local architectural firms, firms in Maine, New Hampshire and Chicago, and then back home again--driven by those little choices which are often life-changing. He married a hometown girl, Nan (who hosted our previous Midland conference), and throughout whirlwind travels to various locations (1985 to 1995) based their life on close family ties and a strong faith with their church.

All of these details seem normal, but have defined for Jay his skills (which were polished working for well known firms around the country), the work and styles that he enjoys doing, and has allowed him to understand how he wants to do the profession he loves, which is commercial and residential designing. Jay is one of the few people in our Michigan group that has a strong commercial design practice. I have discovered, by getting to know him better, that this is because of how he has developed. His skills are the very skills that make designers successful in the corporate world, as well as with builders and homeowners.

Some of the skills that Jay so nobly demonstrates are:

- a). Practiced and polished design ability;
- b). Patience and courtesy in working calmly and professionally with investors, large builders, and municipality building and zoning boards;
- c). Involving all players early in the project process;
- d). Meeting financial quality and ROI for commercial projects;
- e). Creating designs that clients respond with joy and enthusiasm; and
- f). Professionalism that receives full and complete support from his clients, from beginning to end.



These are all done while charging a fair price and getting good results for the customer. He would be the first to admit that sometimes you will not make the profit you hoped, but the end result is that this excellence in behavior creates is a long trail of satisfied and future customers. A few pictures of his work are shown so you can see his quality work, with excellence in the details of his drawings. If you don't know Jay, I encourage you to introduce yourself to him at our next event, as he would be very happy in sharing as a designer and as a friend.

Jay's qualities are exemplary of what an AIBD member is all about. As an organization, AIBD-MI is always striving to excel and demonstrate what Jay does in every project.



Thank you Jay for being a member of AIBD-MI. May we bring you as much benefit as you bring to our organization, showcasing our organization to the people of Michigan for all to see.

MY POINT OF VIEW

GOOD BUILDING DESIGN IS MORE THAN JUST A CONCEPT

By Jerome E. Carter, CPBD

At our Fall Conference in Boyne Highlands this year, we discussed the concept of “outsourcing” design work to foreign countries. I expect there will be more discussions on this topic and my hope is that our state society and, hopefully, national society will take a stand of opposition to this practice.

Custom residential design is a complicated, multi-faceted product that is best done when the “creator” of the project has his hand in the job from beginning to end. That’s why there are so many successful one-person and small-group operations in our society. We’ve all dealt with interpretation and communication difficulties when working with draftsmen right in our own office. Can you imagine adding a hemisphere of distance to the mix? Wouldn’t a better solution be to look among our own organization when developing strategies to streamline cost?

As creators of the custom design, our responsibilities go far beyond compliance to our AIBD “minimum design standards”. The conceptual design is great for presentation to the client--the “artistic” phase of the project. The “science” of the project begins with developing the working drawings. The designer must have his head totally submerged in the project to build the structure on paper or computer. How responsible would it be to have an incomplete or vague idea on how the structural plans are developed? I can see a disaster in the making when problems arise on the jobsite and the designer finally sits down and gets into each detail of the plan.

Many times I have spent long hours red-lining errors and misinterpretations of my directives on a check print for my in-house staff to clean up. How much time would the designer save doing this task long, long distance? How comfortable could one become, never knowing the work style of the draftsman on the other end or being able to sit down with them and review the project? Just how economical can it be to work under these conditions?

Our society is full of talented designers who all experience occasional lulls in their work load. Networking with each other as much as possible seems like a natural. The ideal solution is to have a small staff for details and “mundane” work (at a reasonable cost), streamlining work and utilizing a reference library, while always remaining the person in control of the projects. This motto has hung in my office for the past 38 years: “The bitterness of poor quality remains long after the sweetness of low price is forgotten. Anonymous”



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Stick with control and quality and you will have long-term success with less worry. I encourage AIBD-MI to take a stand for quality and to be the catalyst for improving standards in our industry. Outsourcing will never meet these criteria. That’s my opinion. I’d welcome an open forum to get other members thoughts. How about putting your opinion in this space of the next newsletter?



A GOOD FALL CONFERENCE IN PETOSKEY

By David Velderman



The Fall Conference this year was held at Boyne Highlands Resort, north of Petoskey, Michigan. Yes, that was **north** of the city, as some of us forgot and went to Boyne Resort which is south of the city--just a minor hiccup in getting there.

Lynne Coulter and Glen Lahti did a great job setting up all the vendors, arranging for a great facility (the rooms we had were LARGE), and the last minute changes of tour details. There was a great turnout, with many of you registering early which allowed for easy coordination of the events. Thanks to Lynne and Glen for a great job!

Gordon Hoehle, the National AIBD President, was a breath of fresh air. He came for two things: 1) to better understand the exemplary example that Michigan AIBD does in supporting and informing our members, which Gordon took specifics of to share with other state societies to help them run theirs better and easier; and 2) to hear feedback from our members (as he does with all state societies) as to how National AIBD can better support us. He got some ideas from us and had a great time attending. It is nice to have National AIBD support us, even in our daily business activities. Let Gordon or me know your thoughts if you did not attend the conference. He said that the National AIBD Conference might be at the Grand Hotel on Mackinac Island in 2008 or 2009--many details yet to be worked out in order for that to become a reality. I will keep you informed of details as they progress.



We had tremendous support from our corporate members, not only in their presentations (giving us 5 CEs) but also in their financial support of our luncheon (thank you Jess Adler of



Andersen Windows) and friday's dinner (thank you Ben and Mark of the Whirlpool Corporation) held on the hotel's patio. We had fabulous weather to enjoy these.

The Saturday walking architectural tour was of the historic Bay View Homes, with a great tour guide dressed in clothes of the 19th century. The significance of these homes and tour are shown in the pictures of this article. I encourage everyone to go to Petoskey and do this tour in the summer because it's a very unique community, and offers a look into 19th century living in northern Michigan, plus the buildings are still in use today.

The conference days and events moved along quickly as they were filled with activities for all, including shopping and tours for the spouses while the rest of us were at the conference. I am always envious of the spouses doing such, since I seldom take the chance to do so and miss out on the relaxing beauty of northern Michigan. Another good conference!



NCBDC CERTIFICATION EXAM

By David Velderman

There is a small group of people studying for the upcoming NCBDC Certification Exam. The remaining study sessions will be meeting on 1/10/06, 1/24/06 and 2/7/06, at 6:00 p.m. at my home. Phil Forsyth will be Proctoring the exam and is set up for the initial details. A tentative test date, pending approval by all remaining associated parties, has been established for February 17 and 18, 2006, here in the Waterford area. It appears that there will be 4 to 6 people taking the exam. I hope more of you will sign up to take the exam, as this opportunity doesn't come very often. If you wish to sign up, please call me as there is still time. For more information or to join our ongoing study group, call me or go to the NCBDC.com to sign up.

Remember, this certification could be a significant factor in the future in the work you do as a designer. At the very least, excel to be the best in your industry. This is one way to demonstrate this to our government, building officials and, most importantly, to your customers.



RECORD RETENTION

Go to our website, www.aibdmi.com, and download an article we've received that is too big to include in this newsletter. It is about record retention of design documents in your office. The article is focused on design firms and may be focusing on offices larger than many of us, but the advice is well worth reading. Please check it out.