



2023 Annual Report

MBEX's Progress Over the Past Year



minnesota builders exchange
mbex.org

Serving the Construction
Industry Since 1888

Message from our Executive Director



As we reflect on the last 12 months, we can all take pride in what we've achieved together for the construction industry. Here at MBEX, we are guided by three value drivers to our members: to help our members grow through the exchange of plans, the creation of powerful industry connections, and the sharing of knowledge.

In my role as Executive Director, I see first-hand the incredible impact of an industry that works together. In a year filled with "are we or aren't we?" in regards to a recession, the construction industry has only grown stronger and the future looks bright especially in public construction projects thanks to federal funding and a significant bonding bill passed by Minnesota lawmakers.

We also continue to create bigger and better value for our members. A few highlights include:

- Posting 900 more projects in 2023 than in 2022, thanks to the hard work of our reporting team.
- Launching the *MBEX Blueprint*, our newest magazine publication shared with over 3,000 members, industry partners, school administrators, and government officials.
- Kicking off the MBEX Women's POWER (**P**rofessionals **O**ffering **W**omen **E**ngaging **R**esources) series in February and hosting 4 events throughout the year, with an exciting line-up for 2024 to be announced soon.
- Partnering with Troy DeGroot and UChapter2 to provide more educational and training opportunities.



Message from our Executive Director

I cannot wait to see what we're able to achieve together in the year ahead. Rest assured that MBEX is listening and acting on your concerns. We welcome your calls and feedback so that we may continually improve our services and deliver even more value to you.

Thank you for your membership, partnership, and support of the Minnesota Builders Exchange.

Sincerely,



David Siegel, CAE, IOM

Meet the 2024 Board of Directors

EXECUTIVE OFFICERS



Mike Carlson
Max Gray Construction
President



Heidi Sedlacek
Bituminous Roadways
Vice President



Brian Kalla
St. Cloud Acoustics
Treasurer



Greg Grazzini
Grazzini Brothers
Past President



David Siegel
Minnesota Builders Exchange
Secretary

DIRECTORS

- Kevin Bohrer, *Donlar Construction*
- Allie Brady, *Veit*
- David Brandt, *Schadegg Mechanical*
- Jason DuVal, *Tenet*
- Chuck Geisler
- Chris Niemand, *Frattalone Companies*
- Sean Ochis, *Northern Industrial Insulation*
- Jason Rentmeester, *Kraus-Anderson*
- Nate Sapik, *Benson Electric Company*

MEMBERSHIP



MEMBERS BY STATE:

- Colorado
- Florida
- Georgia
- Iowa
- Illinois
- Indiana
- Massachusetts
- Minnesota
- Montana
- North Dakota
- Nebraska
- New York
- Oregon
- Pennsylvania
- South Dakota
- Wisconsin

MEMBER EVENTS

13

Across the Twin
Cities, Duluth,
and online

NEW MEMBER GROWTH

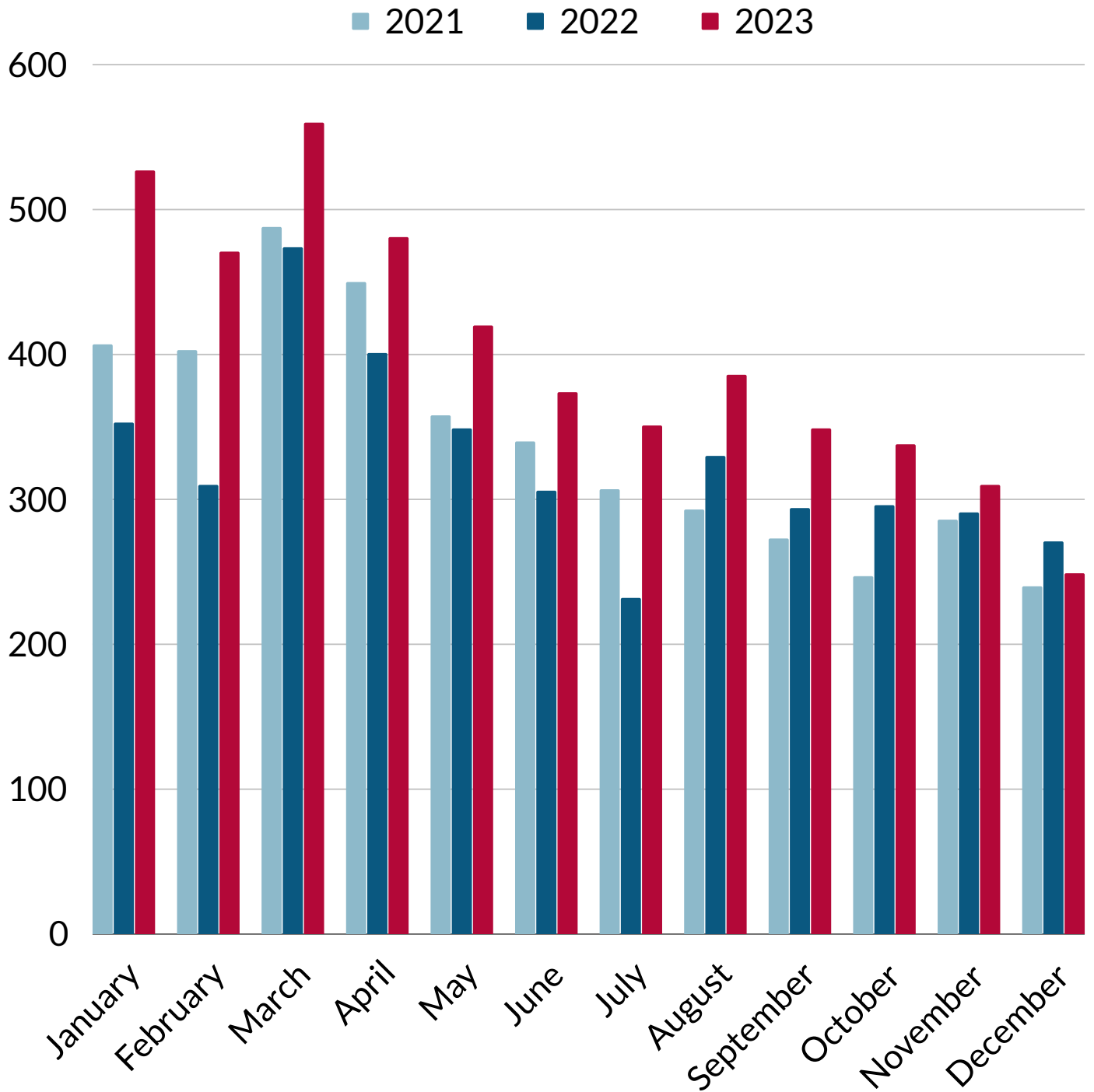
17%

Increase from 2022

EVENT HIGHLIGHTS



ONLINE PLAN ROOM



Number of projects posted to the Online Plan Room by month.

ONLINE PLAN ROOM

TOP PROJECT CATEGORIES 2023

1. Local Government - 1,958
2. Educational - 966
3. Sewer / Waterlines - 244
4. Recreational - 202
5. Airport - 166
6. Wastewater / Water Treatment - 137
7. Correctional Facility - 118
8. Parking Structure - 112
9. Storage / Warehouse - 78
10. Health Care - 77
11. Residential Complex - 67
12. Lift Station - 61
13. State Government - 60
14. Office Building - 49
15. Military - 48

TOP PROJECT TYPES 2023

1. Improvements - 1,837
2. Replacement - 635
3. New Construction - 423
4. Remodeling / Renovation - 306
5. Remodeling - 185
6. Repair - 181
7. Upgrade - 180
8. Rehabilitation - 149
9. Addition - 146
10. Reconstruction - 125
11. Installation - 82
12. Sewer / Water - 80
13. Expansion - 78
14. Supply / Install - 62
15. Demolition - 48

Most Viewed Projects at the start of 2024:

1. Eden Prairie High School Remodel - Phase 1
2. Liberty Elementary School - 2024 Renovations
3. Minneapolis / St. Paul International Airport - 2024 Safety & Security Center Phase 2
4. RFP - Best Value Procurement - Public Safety Facility Preservation
5. ARC / CR-22 Science Building Renovation
6. Robbinsdale Area Schools - 2024 LTFM Armstrong High School
7. Zimmerman Campus Improvements - Phase I
8. Maps Roosevelt Elementary School Addition & Renovation
9. Dassel Cokato Middle & High School - 2024 Addition & Building Renovations
10. Stonebridge Elementary School - 2024 LTFM Improvements

THE INDUSTRY

A brief recap on significant changes to national & state-wide laws and regulations.

BAN ON NON-COMPETE AGREEMENTS

Minnesota passed a bill banning non-competition (“non-competes”) agreements within the state. The ban became effective on July 1, 2023. The ban applies to all employees, independent contractors, and even volunteers in the state, regardless of where the employer may reside. An employer may not attempt to contract around the law by putting in choice-of-law or choice-of-venue clauses which require the contract to adhere to another states’ laws or contract interpretation principles.

DAVIS-BACON LAW

The U.S. Department of Labor released a final rule, updating Davis-Bacon and Related Act Regulations, that applies changes to federal and federally assisted construction projects funded by taxpayers. Key changes in the final rule include: (1) Lowering the definition of “prevailing wage” to a wage paid to at least 30% of workers in a locality, down from 50%; (2) Allowing the DOL to adopt state or local prevailing wage rates as DBA wage rates; (3) Making DBA requirements effective by “operation of law,” meaning even if a federal agency fails to include DBA clauses in a contract, contractors are still required to pay prevailing wages; and (4) Adds new anti-retaliation provisions to DBA contracts. The Final Rule took effect on October 23, 2023.

EARNED SICK AND SAFE TIME (ESST)

Minnesota’s Earned Sick and Safe Time law went into effect on January 1, 2024. Employers must provide each employee in Minnesota at least one hour of paid sick and safe time for every 30 hours worked, up to at least 48 hours of accrued ESST a year. An employer’s leave policy, such as paid time off (PTO), may already fully or partially meet Minnesota’s earned sick and safe time requirements.

LEGALIZATION OF ADULT RECREATIONAL CANNABIS

Minnesota became the 23rd state to legalize cannabis for adult recreational use in 2023. The law officially took effect on August 1, 2023. With this new law: (1) Employers are prohibited from conducting pre-employment drug testing to screen for cannabis as a condition of employment. There are exceptions, however, for individuals in “safety-sensitive” positions and those regulated by federal law; (2) Employers are prohibited from taking any action against an individual for off-duty cannabis use; (3) Contractors can still terminate an employee if the individual is behaving in a way that violates the contractor’s policies; and (4) Contractors are not required to permit the possession of cannabis on a jobsite. However, if a contractor seeks to discipline or terminate an individual for possession of cannabis on the jobsite, there must be an applicable written policy.

THE INDUSTRY

NEW JOINT-EMPLOYER RULE

Under the National Labor Relation's Board's new final rule, an entity is a joint employer of another employer's employees if the two share or codetermine the employees "essential terms and conditions of employment." The Final Rule provides an exhaustive list of the essential terms and conditions: (1) Wages, benefits, and other compensation; (2) Hours of work and scheduling; (3) The assignment of duties to be performed; (4) The supervision of the performance of duties; (5) Work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) The tenure of employment, including hiring and discharge; and (7) Working conditions related to the safety and health of employees.

The new rule broadens the forms of control that determine joint-employer status. As a result, it is likely that many (perhaps all) contractor-subcontractor relationships may fall under the joint-employer umbrella. The Final Rule takes effect on February 26, 2024.

TRACKING WORKPLACE INJURIES / ILLNESSES

OSHA published a final rule that expands the current recordkeeping requirements to mandate the submission of Form 300: Log of Work-Related Injuries and Illnesses, and Form 301: Injury and Illness Incident Report in addition to Form 300A: Summary of Work-Related Injuries and Illnesses data from construction establishments with 100 or more employees. Establishments with 20 - 99 employees continue to be required to submit only Form 300A - Summary of Work-Related Injuries and Illnesses data. These new requirements went into effect on January 1, 2024, and the required data from the previous year must be submitted to OSHA by March 2, 2024.

PLEASE NOTE:

This information is provided for informational purposes only and is not intended to constitute legal advice. You should not act on this information without seeking legal or professional advice.

SCHOLARSHIP



Thirteen students were awarded MBEX / TBG Construction Scholarships for the 2023-2024 academic year. Scholarships ranged from \$1,500 - \$2,000.

The MBEX Construction Scholarship is made possible through our partnership with The Builders Group Education Foundation.

\$22,500

Total scholarship dollars awarded for 2023-2024



Bridget Womack
*Occupational Health & Safety
with a Construction emphasis*



Cale Denk
*Construction
Management*



Liam McVety
*Carpentry, Welding
& Industrial Business*



Owen Hill
*Electrical Construction
Technology*



Riley Corrigan
Architecture



Yones Abdullah
*Construction
Management*



Anthony Alioto
*Construction
Management*



Hans Lagerquist
Civil Engineering



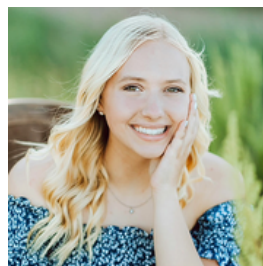
Hans Stelpflug
Construction



Jordan Rodenborg
*Electrical Construction
& Maintenance*



Quinn McCalla
Carpentry



Paige Sanders
*Environmental
Engineering*



William Goehle
Civil Engineering

2024 TRENDS TO WATCH

1 Virtual Construction

Many of these technologies involve virtual design and visualization, ranging from Building Information Modeling (BIM) to Construction Management Software.

2 Smart Cities

A recent study shows that about 60% of US building managers are familiar with Internet of Things (IoT) technology. And 43% expect IoT technologies to impact their business in the next few years.

3 Living Building Materials

Cement is one of the main areas targeted by the living material sector. According to the BBC, if the cement sector were a country, it would be the 3rd largest carbon emitter, behind China and the U.S. That's why new products like self-replicating concrete and self-mending biocement are being developed.

4 Safety Helmets

Workers are moving away from hard hats to safety helmets for better protection to the head and neck.

5 Material Costs

Input costs have increased much more quickly than the average prices construction firms are bidding on projects. Shortages and price hikes mean many construction firms are worried about their bottom line.

6 Prefabrication & Modular Construction

GCs, architects, and developers are finding that prefabrication and modular construction helps keep costs low, shortens construction timelines, and reduces waste.

7 Green Building

According to Dodge's World Green Building Report, almost half of all construction and design respondents said they expect the majority of their projects to be green by the end of this year.

8 Drone Technology

Using drones to measure stockpiles of building materials in real time has resulted in a 61% increase in measurement accuracy. Drones can also be used to survey and inspect various locations without putting any actual humans in harm's way, helping the industry see a 55% increase in safety standards.

9 Major Labor Shortage

The crisis is expected to get even worse with a portion of the \$1.2-trillion from the IIJA starting to flow into the industry.

10 3D Printing

In most instances, only the frame and walls of a building can be manufactured with 3D printing. However, technology is advancing so fast that plumbing and electrical fixtures can also be integrated into the building via 3D printing.

Thank You for your support!

MBEX 2023 Annual Report



minnesota builders exchange
mbex.org



(612) 381-2620

| www.mbex.org

| 1123 Glenwood Ave., Minneapolis, 55405