

# ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES  
of Mississippi

*The Voice of Mississippi's Engineering Industry.*

3900 Lakeland Drive, Suite 201 • Flowood, MS 39232  
Tel: (601) 420-2002 • Fax: (601) 420-2315  
acecms@comcast.net • www.acecms.org

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## Fall Meeting

**CHARLES WILLIFORD** received the 2010 Teddy Roosevelt Award at the Annual Fellows Dinner, November 18, at the Capital Club. Pictured are Jim Hust, ACEC/MS President (left) and Charles Williford.

ACEC Fellows were Honored at the Fellows Dinner November 18 at the Capital Club. Fellows pictured left to right: Wayne Brown, Bill Cooke, Ed Dedeaux, Hayden Kaiser, Jr., Eugene Damon, and Stanley Spradling.

## 2011 Legislative Session Outlook

ACEC-MS is preparing for an aggressive agenda in the 2011 Session that begins January 4. Our primary legislation will be

1. Indemnification language to protect your firm's exposure
2. On-site wastewater law - will amend. To put you back in the position before the law to where a licensed PE can design an on-site wastewater system.

3. Working with the Construction Coalition to overturn the "reverse auction" as it applies to construction.

Due to the dire financial condition of the state's budget, we anticipate the activities surrounding the appropriation process will be the most active this session. We will be working to help protect the appropriations for our industry partners - State Aid, MDOT and DEQ.

We will also be playing Defense for our profession.

## Governor Sets Special Elections for January 11

Gov. Haley Barbour has set a Jan. 11, 2011, special election date to fill the unexpired terms of vacant posts in the state Senate, House and Transportation Commission. Races on ballots in north and south Mississippi include:

- Senate District 6 seat in Lee and Pontotoc Counties. Alan Nunnelee resigned the position after his election as 1st District congressman.
- House District 116 in Harrison County. Steven Palazzo resigned the seat after his election as 4th District congressman.
- Northern District Transportation Commissioner covering Alcorn, Attala, Benton, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, Desoto, Grenada, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Web-

ster, Winston and Yalobusha counties. The seat opened when Northern District Transportation Commissioner Bill Minor died Nov. 1.

The qualifying deadline for the elections is Dec. 12. If a run-off is necessary, it will be held Feb. 1, 2011. The winner will serve the remainder of the office's term, through the end of 2011. The positions will be on the ballot again in 2011 as part of the regular state election cycle.

## CALENDAR OF EVENTS

February 3	Capitol Day - Jackson, MS
February 7	Legislative Reception - Jackson, MS
March 10	EEA Dinner - Old Capitol Inn
March 10 & 11	Winter Meeting - Capital Club
July 21 - 24	Deep South Convention & Trade Show Sandestin - Florida

## ACEC-MS PRESIDENT'S MESSAGE

By Jim Hust

### Make a Difference



We had a tremendously successful Fall Fling. I hope you found the committee meetings, educational sessions, and the Fellows Dinner as rewarding as I did. Fall Fling is truly a wonderful opportunity to interact and fellowship with other members and affiliates, and a big thanks is owed to all of you who participated. As the saying goes, "the more you give, the more you receive." I hope this proves true as you reflect on your involvement in this year's event.

The state legislative session is set to begin on January 4<sup>th</sup>, and 2011 promises to be a demanding year for our State House and Senate. With projected budget reductions of 1 to 8 percent for most state agencies for 2012, our elected officials will be faced with extremely difficult choices as they work to craft a budget and prioritize needs and services. As an organization, I trust our members will maintain a level of appreciation and consideration for the Governor and the Legislature as they do their best to make ends meet.

Many of you serve on our very important Governmental Affairs Committee and, among other duties, support our Director's efforts in monitoring, evaluating, and affecting legislation being considered under the Capitol dome. These are often time-sensitive issues of great importance to our members and affiliates, as well as our clients. Some of the issues that we will be closely monitoring this year include: tort reform matters, indemnification matters, on-site wastewater issues, reverse auction issues, and other matters that are important to you.

Considering the high-pressure challenges facing the Legislature this year, it is critical that we all do our best to support Judy. When she needs assistance to organize visits, calls, emails, or letters to members of the Legislature, we should act diligently to help. What goes on at the Capitol affects us each professionally and personally. Our membership reaches into every county and community in the state, and the work of our members has an enormous impact on quality of life and economic development potential for the state. Indeed, we have a strong voice and can **make a difference** when we choose to involve ourselves in the decision-making process. Incidentally, as you may recall, this is our primary strategic goal for ACEC/MS: **Be recognized as the legislative advocate for engineering companies in the promotion and protection of their business interests.**

While we are monitoring issues on the state level, ACEC is working to promote our interests on the national level. Some of these matters include:

- National mid-term elections brought a more conservative Congress to Washington which is focused on addressing fiscal issues – regardless of our individual political affiliations, we should recognize the potential impacts of tighter budgets on the passage of critical infrastructure legislation.
- ACEC/PAC-backed candidates won in 86% of races overall and 94% of U.S. Senate races.
- Supported the draft proposal from the bi-partisan co-chairs of President Obama's fiscal commission – especially the gas tax increase and infrastructure investment recommendations.

- Agreed with AASHTO to develop a joint response to soon-to-be-released rules from the Federal Highway Administration (FHWA) on A/E procurement; and reaffirmed commitment to focus on AASHTO Audit Guide compliance.
- Joined with AGC in a letter to leaders of the House Ways and Means Committee and the Senate Finance Committee advocating repeal of 3% withholding in the next tax bill moving through Congress.
- Presented engineering industry perspectives on infrastructure resiliency issues at a conference sponsored by the Department of Homeland Security.
- Conducted popular business webinars: *Effective Use of Government Contracts to Optimize Liability Protection*; *Value Pricing for A/E Firms*; *Retirement Plans – Which is Best for Your Firm*; *Systematic Client Feedback*; *Short-term Economic Outlook*; and *High Speed Rail: Outlook, Opportunities and Obstacles*.
- Held the inaugural session of *Essentials of A/E Financial Management and Firm Valuation* – designed as a flagship financial management course for engineering company leaders.
- Held the latest iteration of ACEC's highly regarded *Applying Expertise as an Engineering Expert Witness*, a course designed for engineers who might be called to testify in court, or who have an interest in becoming an expert witness.

Please add **February 3, 2011** to your calendars. This is the date of our Capitol Day in the Rotunda of the State Capitol. It is an opportunity for you to meet legislators and discuss one-on-one with them the issues that are important to you. It is also an opportunity for us to show these delegates our personal support for Judy, our ACEC/MS spokesperson and advocate. Our state representatives and senators respond to our needs because we do **make a difference** through our respective businesses and in our communities and state.

Our Winter Meeting in March will include excellent programs and opportunities for you to be involved and **make a difference** in your bottom line. Additionally, we will have our Engineering Excellence Awards banquet and spotlight many of the important projects that clients have developed in the past year. Please invite a client and a peer to participate in these events.

Continue to do what you do so well, **make a difference!**

## ACEC President's Update

By Dave Raymond

- North Dakota became the 14<sup>th</sup> state to achieve its ACEC/PAC fundraising goal for the year; 20 states are close behind in the end-of-the-year drive.
- Supported the draft proposal from the bi-partisan co-chairs of President Obama's fiscal commission – especially the gas tax increase and infrastructure investment recommendations.
- Agreed with AASHTO to develop a joint response to soon-to-be-released rules from the Federal Highway Administration (FHWA) on A/E procurement; reaffirmed commitment to focus on AASHTO Audit Guide compliance; and assisted ACEC/Illinois in favorably addressing Audit Guide compliance issue related to field rates.
- Joined with AGC in a letter to leaders of the House Ways and Means Committee and the Senate Finance Committee advocating repeal of 3% withholding in the next tax bill moving through Congress.
- Joined industry allies in lobbying Senate leaders to act this year on a bill that would limit the liability of engineering and construction firms which worked at Ground Zero.
- Participated in the first of a series of discussions between the U.S. and Brazilian governments to facilitate the involvement of U.S. A/E firms in Brazil's planned \$1.2 trillion infrastructure improvement program.
- Presented engineering industry perspectives on infrastructure resiliency issues at a conference sponsored by the Department of Homeland Security.

## New Members

### CH2M HILL, INC.

1701 B 24<sup>th</sup> Avenue

Gulfport, MS 39501

Telephone: (228) 822-2090

Facsimile: (228) 822-2095

Email: lon.elledge@ch2m.com

Website: www.ch2mhill.com

Principal(s): Lon Elledge; Jeff Hellstrom

**Areas of interest:** CH2M Hill, Inc. is a global firm specializing in consulting, design, design-build, operations, and program management.

### K. EDWARD BYRD, P.E.

P.O. Box 641 (38802)

225 Franklin St.

Tupelo, MS 38801

Telephone: (662) 844-9688

Facsimile: (662) 841-0855

Email: kebyrd@keb-eng.com

Website: www.keb-eng.com

Principal(s): K. Edward Byrd, P.E.

**Areas of Interest:** Structural consulting and design engineering company. Structural detailing firm.

### EDWARD T. DAVIS & ASSOCIATES, INC.

7124 Kerr Street

P.O. Box 1219

Olive Branch, MS 38654

Telephone: (662) 893-4041

Facsimile: (662) 893-4975

Email: etd@etdengineering.com

Principal(s): Edward T. Davis

**Areas of Interest:** Established in 1961, Edward T. Davis & Associates, Inc., is a multi-disciplined design firm. The firm's major divisions include Civil, Structural, Sanitary, and Municipal Engineering. Clients include governmental agencies at Federal, State and Municipal levels; publicly held corporations; private firms and individuals.

## New Affiliates

### GRINER DRILLING SERVICE, INC.

1014 Highway 98 Bypass

Columbia, MS 39429

Telephone: (601) 736-6347

Facsimile: (601) 731-1853

Email: joe@grinerdrillingservice.com

Principal(s): Joe Loftin



for everything CONCRETE

### MCIA can:

*A non-profit trade association representing the concrete, concrete block, cement, aggregate, and related industries doing business in Mississippi*

- ▶ Expand Your Network
- ▶ Put Knowledge at Your Fingertips
- ▶ Speak to Your Organization
- ▶ Provide Proven Training

### ABMB ENGINEERS CELEBRATES 25 YEARS

ABMB Engineers, Inc. celebrated its 25 year anniversary in April 2010. The firm was begun in 1985 by four civil engineers: Kenneth Adkins, Steve Boudreaux, Mike McGaugh, and Mike Bruce in Baton Rouge, Louisiana, opening its first of three Mississippi offices in 1997 in Jackson. Managing Principal John McKee has built the Mississippi operations up to become a thriving organization with over 40 employees total in Jackson, Vicksburg and Madison, serving such clients as the Mississippi Department of Transportation, the Army Corps of Engineers Vicksburg District, the City of Jackson and Warren County.

ABMB has made a name for itself in traffic, roadway and bridge engineering, having served public and private clients in a dozen states, including several federal agencies. As national experts in the Continuous Flow Intersection (CFI) concept, ABMB has brought attention to the gulf south area, especially after the highly successful completion of the CFI at Airline Highway and Siegen Lane in Baton Rouge. When completed, the intersection was one of only a half

dozen in the United States. Since then ABMB has performed CFI related work for the Arkansas, Mississippi, Georgia, Maryland and Ohio Departments of Transportation. An ABMB designed CFI in Natchez, Mississippi, was just completed in January at the intersection of Junkin Drive and U.S. 61.

ABMB has also participated in several high profile local and regional projects, including the Liberty Road Bridge Project at U.S. 61 in Natchez, the signalization of U.S. 90 along the coast in the aftermath of Hurricane Katrina, and currently, major roadway designs for State Routes 6 and 16 bypasses.

Founded in 1985, ABMB Engineers Inc. is headquartered in Baton Rouge, Louisiana and has offices in Jackson, Vicksburg and Madison, Mississippi, and Mobile, Alabama. The company provides civil engineering consulting services for Roadway, Traffic, Transportation, Structural Bridge, Civil Works, and Site Civil projects, as well as Land Surveying and Real Estate Acquisition services.



ACEC/MS presents Senator Roger Wicker with an ACEC/PAC check . Pictured left to right is Tom Bryant, ACEC/MS PAC Chairman, Senator Wicker, Judy Adams, ACEC/MS Executive Director and Jack Farmer, Cook Coggin Engineers in Tupelo.

Thank you to all who have contributed to the PAC this year!

Thank You for your continued support of ACEC and we wish a very happy and prosperous new year!



### Paving the way to the Winner's Circle.

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# Small Business Bill: Big Benefits for Business Owners

*By Dean Zerbe, national managing director, AliantGroup, former senior counsel and tax counsel to the U.S. Senate Committee on Finance*

For many small and medium business owners in Mississippi, the view has been that not much good comes from Congress. However, a recent bill passed by Congress and signed into law — The Small Business Jobs Act — is good news indeed.

## What does the Small Business Jobs Act mean to you?

The bill has several good tax relief provisions that can possibly translate into real dollars in the pockets of business owners. While the focus of this article centers on the tax provisions in the bill, readers should be aware that the bill also includes efforts to increase SBA lending and lending to small businesses by banks and other financial institutions.

## Money in Your Pocket

General business credits for small business not subject to alternative minimum tax (AMT). A great number of small and medium businesses are making expenditures that would qualify for a general business credit such as the R&D Tax Credit. However, these businesses are effectively barred from taking most general business credits due to the AMT. In a nutshell — if the business owners are subject to the individual AMT, it puts the kibosh on taking most general business credits.

The change in law ends this AMT bar for credits for tax year 2010 for businesses with average gross receipts of \$50 million or less for the last three years. Business owners need to be talking to their tax advisors to revisit whether they are now qualifying for general business credits because of this change in law. We have found that nearly 80 percent of eligible companies cannot take advantage of the general business credits because of the AMT bar. This is truly a groundbreaking provision, and one that business owners need to look hard at to see if it can provide them tax benefits.

Examples of general business credits include the Research and Development Tax Credit, Work Opportunity Credit, Low Income Housing Credit, Disabled Access Credit and the Empowerment Zone Hiring Credit.

Five-year carry back for general business credits. Normally general business credits can only be carried back for one year (and forward 20 years). The new law will allow a five-year carry back. The carry back is available for small businesses (not publicly traded) that have averaged less than \$50 million in gross receipts for the last three years. Partners/shareholders must meet the same test. The provision is effective for credits determined in the taxpayer's first taxable year beginning after Dec. 31, 2009.

Section 179 Expensing Expansion. Under current law, Section 179 has allowed small businesses to expense (i.e. deduct immediately

rather than depreciate over time) \$250,000 of qualifying property (basically tangible personal property and some software) placed in service the taxable year. The \$250,000 expensing is phased out if the taxpayer has purchased more than \$800,000 in qualifying property for that year.

The new law allows up to \$500,000 in purchases of qualifying property to be expensed in the year placed in service and perhaps even more importantly increases the point the benefit begins to phase out to \$2 million dollars (up from \$800,000). Many business owners and accountants have said changing the phase out point was vital in allowing more companies to take better advantage of Section 179 expensing.

Important to note: The new Section 179 also expands what counts for qualifying property to include certain real property — qualified leasehold improvement property, qualified restaurant property and qualified retail improvement property (but only up to \$250,000).

Accelerated depreciation — 50 percent. Continues in place for 2010 current law that had expired Jan. 1, 2010, allowing a 50 percent depreciation for the first year depreciable property is purchased and placed into service.

The Joint Committee on Taxation provided an example as follows: Assume that in 2009, a taxpayer purchased new depreciable property and places it in service. The property's cost is \$1,000, and it is five-year property subject to the half-year convention. The amount of additional first-year depreciation allowed is \$500. The remaining \$500 of the cost of the property is depreciable under the rules applicable to five-year property. Thus, 20 percent, or \$100, is also allowed as a depreciation deduction in 2009. The total depreciation deduction with respect to the property for 2009 is \$600. The remaining \$400 adjusted basis of the property is recovered through otherwise applicable depreciation rules.

Both the Section 179 expansion and the continuation of accelerated depreciation give business owners good tax incentives to make purchases now of equipment and other depreciable property for their business. The new Section 179 rules allowing expensing for certain property improvements may be beneficial to many small businesses.

Overall, the Small Business Jobs Act provides business owners and their accountants a good opportunity to sharpen their pencils and save significant tax dollars — improving the bottom line and, it is hoped, leading to new jobs.