

MAY/JUNE 2025

SMAC NEWS



Union Contractors Make Capitol Hill Push at CEA Conference

SMACNA and CEA allies spotlight workforce, infrastructure and tax priorities to new Congress and administration.



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Strengthening SMACNA: Engaged Members, Stronger Connections

Entering my fourth year as CEO, I have moments when I can reflect on what it means to be a part of SMACNA. I have enjoyed getting to know many members and chapter leaders. Engagement is a word that associations toss around a lot — usually when talking about how members interact with the association. SMACNA members are engaged in many ways.

For me, specifically, engagement has always been attending SMACNA meetings. These events are critical and important on numerous levels. From a tangible standpoint, they are unique educational opportunities only available to SMACNA contractors and our chapter executives. Our programming encompasses so much of what is needed to thrive in our industry, especially in these interesting times. In April, we held the second SMACNA Fab Forum in Boston. This event, hosted by McCusker-Gill, was an opportunity for our members to learn more about some of the cutting-edge developments in the fabrication space and learn from a contractor on the leading edge of the work in this arena. Through this type

of programming, we can help our members expand their professional toolboxes in a manner that enables them to deliver the highest caliber of work to our customers.

Another recent educational and advocacy event was the CEA National Issues Conference. CEA is not only an opportunity for us to press our issues to our lawmakers in Washington, but it is also an opportunity for our members to learn more about the events shaping policy on the Hill. Over the past few years, much of the work done in Congress has shaped the business climate for our members. An event like CEA offers the opportunity to learn from subject matter experts, ranging from leaders of top-level think tanks to congressional leaders from both parties. SMACNA is held in the highest esteem by policymakers in D.C. CEA allows our members to help us share our incredible story. Related to CEA, another engagement point is our Political Action Committee. I am a long-time CIC member and have supported SMACNA's legislative efforts for more than 20 years. Many of our most active members, board

members and executive committee members started working with the PAC early in their journeys.

Beyond the educational aspect of meetings, networking is incredibly crucial. Relationship building at the association level is more critical than ever. During my time with SMACNA, from my time as a Chapter Executive in Rochester to my time as the CEO in Virginia, these interactions were incredibly critical and beneficial. I recall fondly chapter executives who welcomed me when I started with SMACNA Rochester. Most of them are retired now and I have been in a position to offer the same warm welcome to new executives from around the country. I brought programs and ideas from SMACNA to all of my associations. I have also gotten the opportunity to learn from contractors of all sizes and share that information with other members.

As you read, we are approaching our Annual Convention in Maui. Convention is the flagship event on our calendar, no matter where it is. For those of you who have the opportunity to join us in Hawaii in October,



FROM THE PRESIDENT

Tom Martin

let me impart some of my own experience to you. The setting for this Convention is going to be stunning, and I don't blame you for wanting to spend as much time enjoying the view as possible. I know I'm excited to touchdown in Maui. I urge you to use your time at Convention not only as an opportunity to relax, but to engage with your colleagues and learn as much as possible about what's happening in our industry. This involvement (yes, engagement) makes SMACNA a better association. It helps us ensure that our industry continues to thrive.

I hope you are having a great summer, and I'll see you in the fall at SMACNA's Annual Convention. ▼

Aaron Hilger is CEO of SMACNA, bringing more than two decades of executive association leadership to this role. Hilger is focused on building a stronger, more competitive environment for all SMACNA contractors.

Innovating, Educating and Connecting For a Stronger Future

During my travels, I emphasize to all our members: SMACNA is your association. SMACNA exists solely to promote the interests of our members and the union sheet metal/HVAC industry. All our work as an association must be centered on this core mission. My mission is to continually provide our contractors and the association with value-added initiatives to strengthen their organizations, ultimately increasing profitability.

Educating and informing our members has taken on a new sense of importance. At the center of this effort is the revamped SMACNA website. Thanks to the hard work of Susanah Forde and her team at headquarters, our association's virtual home has been updated so that the resources you need to run your business and/or chapter are easier to access than ever before. Whether you are looking for a specific technical standard, schedules and events, or labor relations information needed for collective bargaining, the new website is user-friendly and accessible for everyone within your organization. Not everyone learns best from reading; some people are visual learners and others absorb and retain information better through listening. SMACNA is now meeting this demand with podcasts, webinars and infographics. We continue to provide new and informative content. SMACNA tracks the data in this space, and we see five times the traction for podcasts and webinars compared to traditional paper formatting.

Taking this a step further, I am working closely with Linda Jennings to take our educational offerings presented by our association to a whole new level. One of the hot topics currently being discussed is artificial intelligence and technology, which could have a favorable impact on our contractors. When we think of AI, our thoughts go in a million different directions. Luckily, our AI task force is doing the hard work of answering the questions posed by our contractors and thinking ahead toward how contractors can successfully leverage this potentially beneficial

resource. This type of forward thinking continues to shape the educational offerings we provide. It maintains the goal I stated earlier: ensuring SMACNA benefits our members.

Our relationships with our Associate Members are another way to continue enhancing that value proposition. I am proud of our work in improving our Associate Member program. These firms provide critical services that propel our companies forward in our competitive industry. But this isn't a one-sided relationship. They rely on our feedback and experience to shape their product offerings and business strategies to remain competitive in the marketplace. The fact that SMACNA members have a seat at the table in this dynamic is something we should not underrate. The trend in our industry is a more collaborative delivery method for the customer. Having great relationships with our Associate Members improves efficiency and profitability. This partnership (and, yes, it's absolutely a partnership) has taken flight. Look at the engagement of our associate members in programs such as the recently held Fab Forum. You will get a good idea of the value of building these types of relationships.

But we are not going to rest on our laurels. We always strive to do better. One of the members of the SMACNA team, Emma Danh, is looking to take our Associate Member program to the next level. I am confident we will enhance our engagement with these critical stakeholders, and I am excited to see what the future holds.

You must be engaged to extract the highest level of value from this association. We all bring different experiences and skill sets to the table. Engaging both locally and nationally can provide new relationships, opportunities and profitability.

I'm honored to be your President. I have enjoyed all my travels and experiences, as well as meeting new friends and contractors. I will continue to listen and support you through my term. ▼

Tom Martin, SMACNA President



Detroit Firm Rebuilds Historic Tower's Copper Crown

CASS Sheet Metal battles wind, weather and tricky scaffolding to restore the iconic Detroit Towers.

The Detroit Towers is one of the most prestigious residential buildings in Detroit. It was built in 1925, but a 2022 windstorm tore away parts of its iconic roof.

Custom Architectural Sheet Specialists (CASS) of Detroit won the 2022 North American Copper in Architecture award for their restoration work on the Summit on the Park Aquatic Center in Canton, Michigan.

Most of us would be tempted to rest on our laurels after receiving recognition from the Copper Development Association, but CASS celebrated the prestigious win by sending key employees back to school. They attended one of the earliest courses of the iTi's then-new Copper Soldering Strike Force Training.

"When this copper certification came to fruition, I wanted Detroit to be one of the first participants in the process," explains Glenn Parvin, owner of CASS. "I was on the SMACNA architectural steering committee. We sat around a table as long as 20 years ago because we were trying to develop a protocol for the iTi that meets all copper standards. It's an old-world craft that is starting to fade away and we're trying to bring it back."

Parvin's focus on excellent copper work is paying off in a stream of copper-related projects and awards.

Shortly after they completed the Strike Force training, his team used their enhanced skills to restore the high-profile copper roof of The Station at Michigan Central, a historic Detroit train station that has been reborn as an innovation and start-up hub. The project won CASS a second North American Copper in Architecture award, this time the 2024 award for Restoration and Renovation. "CASS Sheet metal has become quite reasonably known for historical restoration," Parvin says.

Months after they completed The Station, masonry contractor Akins Construction asked CASS to bring their skills to help rescue another Detroit landmark, the Detroit Towers. Parvin assigned the copper portion of the project to two young craftsmen who had graduated from Strike Force training and then gained an additional year's worth of experience installing the roof of The Station.

The Detroit Towers has been one of the most prestigious residential buildings in Detroit since it was built in 1925, but a 2022 windstorm tore away parts of its copper "witch's hat" roof. The conical "witch's hat" caps an 18-story curved column of windows with views



of the Detroit River. The east side of the “hat” is accessible from the roof, but the most severe damage was on the west side, where there is a 200-foot drop. Akins initially planned to use a crane to reach the repair site, but quickly realized that scaffolding would be safer. They found a creative solution, engaging a subcontractor to construct an innovative scaffolding system that tied back to the roof by running directly through the copper cone.

While the scaffolding kept the work crew safe, Parvin says it introduced new challenges to this “very difficult install.” The CASS team had to work around the scaffold throughout the project and could not replace the final copper panels until the scaffold was removed.

Once the scaffold gave CASS full access to the “hat,” they saw why the structure had been vulnerable to wind. The original 1-inch snap-on riveted copper panels were installed improperly, which allowed rain to penetrate inside the roof for years. By the time wind exposed the inferior workmanship, the wooden framework was rotting away, and the soffit was falling off the building. The owners appreciated the need for a permanent solution and renegotiated the project to a full restoration.

Due to the extreme weathering, CASS upgraded the entire structure. They strengthened the “witch’s hat” by replacing about 600 feet of one-by-threes and adding a new layer of 3/8-inch plywood. They replaced the damaged copper panels with an inch-and-a-half double-lock standing-seam tapered panel system,

bringing it up to modern SMACNA standards, and they installed a new copper soffit.

“A properly installed copper roof should last about 100 years and is 100% recyclable,” Parvin says. The 8-foot finial that tops the “witch’s hat” illustrates his point. Akins Construction salvaged and cleaned the original finial, which CASS took to their shop for repairs. Restored to its original glory, the 100-year-old finial once again shines from the top of the historic property.

Besides restoring the roof, the Detroit Towers needed extensive repairs to the masonry and windows. CASS worked with Akins to provide future access by creating dormers with door openings in the copper roof. “We had to flash them in and copper around them so that in the future somebody could open the door from inside the tower and install a swing stage beam,” Parvin says. “The swing stage access was critical to the needed restoration along the wall.”

Parvin chose Revere Copper for this project. “We’ve only used Revere USA Copper in our career, largely because it’s American made, and I believe it’s the highest quality copper out there,” Parvin says.

The copper is sold by the pound in flat stock, which CASS rolls and fabricates in the shop. “We custom-fabricate all copper used in our projects,” he says.

Between the carpentry work and fabricating and installing about 2,000 square feet of copper panels, the Detroit Towers project brought CASS 1,000 work hours. ▼

Scaffolding kept the work crew safe while it renovated the Detroit Towers copper “witch’s hat” roof.



Modern Niagara Bets Big on Ottawa's Hard Rock Casino Revamp

With cutting-edge collaboration and innovation, Modern Niagara transforms an aging casino into a high-stakes entertainment hotspot.

In a landmark project, Modern Niagara is spearheading the transformation of an aging casino in Ottawa into a cutting-edge Hard Rock Hotel & Casino. This ambitious redevelopment aims to establish a premier entertainment destination in Canada's capital region.

The project encompasses a significant expansion and renovation of the existing facility, integrating Hard Rock's signature blend of luxury and entertainment. Upon completion, the venue will feature:

- A 150-room luxury hotel.
- The Hard Rock Live theatre, with a capacity of up to 2,200 guests.
- An expanded casino floor with 1,500 slot machines and up to 40 table games, including a separate Baccarat room and high-limit slots.

MODERN NIAGARA

Founded in 1959 as a local plumbing services shop in Ottawa, Modern Niagara has evolved into a leader in mechanical, electrical and integrated building technology systems.

Modern Niagara's roots trace back to 1959, when Jan Kaminski and Joe Clark established Modern Plumbing, a local plumbing services shop in Ottawa.

In 1999, the company merged with Niagara Mechanical, a Toronto-based mechanical services firm, and rebranded as Modern Niagara Group Inc. This expansion marked the beginning of a national presence, with the company now offering mechanical, electrical, HVAC and integrated building technology services across Canada.

Today, Modern Niagara Ottawa employs over 850 professionals and is involved in major infrastructure projects throughout the city, including the redevelopment of Parliament Hill's Centre Block and the construction of the new Ottawa Public Library. The company has also demonstrated a commitment to community engagement, exemplified by a \$100,000 donation to Algonquin College's Centre for Construction Excellence in 2009, supporting the development of a new trades training facility.

Now, using innovative engineering solutions and collaborative strategies, Modern Niagara is bringing the Hard Rock Hotel & Casino's ambitious vision to life.



THE SCOPE OF HVAC & SHEET METAL WORK

Modern Niagara is playing a pivotal role in the transformation of Ottawa's Rideau Carleton Casino into the Hard Rock Hotel & Casino Ottawa.

The project encompasses a six-story, 150-room hotel, including 22 suites, a 1,800-seat Hard Rock Live theatre, and an expanded casino floor featuring 1,500 slot machines, 40 table games, a Baccarat room and high-limit gaming areas. Additionally, the venue will offer over 10 restaurants, bars and lounges, including the iconic Hard Rock Café and Council Oak Steakhouse. The anticipated completion date for the project is set for this year.

As the mechanical, electrical and plumbing (MEP) contractor for this \$350-million redevelopment, Modern Niagara is responsible for installing and integrating the building's essential systems. This includes installing advanced mechanical systems to support the casino's increased capacity. Their team is fabricating and installing extensive sheet metal ductwork, energy-efficient heating and cooling systems, and specialized ventilation to maintain air quality in gaming and entertainment areas.

The company is deploying:

- Over 250,000 pounds of sheet metal ductwork to support proper airflow throughout the hotel, casino and entertainment spaces.
- Custom-fabricated ductwork and exhaust systems designed to maintain optimal indoor air quality, particularly in high-traffic casino areas.
- Energy-efficient HVAC units to regulate temperature and humidity for guest comfort while optimizing energy consumption.
- High-performance air handlers and ventilation systems to meet Hard Rock's stringent indoor air quality standards.

To ensure accuracy and efficiency, Modern Niagara is employing digital modeling and prefabrication techniques, allowing the team to manufacture HVAC

components off-site before installation. The company is using MEP suspension solutions to achieve a 50% reduction in labor time compared to traditional methods. These products eliminate the need for threaded rods and unistrut systems, simplifying the installation of electrical conduit, cable trays, HVAC ductwork and piping systems.

A key factor in the project's success is Modern Niagara's collaborative approach. By fostering strong relationships with stakeholders, the company ensures seamless integration of various trades and services. On this project, Modern Niagara is delivering sheet metal, insulation, plumbing and electrical services, showcasing their multidisciplinary expertise.

The team is also using advanced technologies, such as transmitting 3D models directly to pipe profiling machines, as well as eliminating manual drawings and programming. This innovation is accelerating plasma cutting processes, potentially saving over 6,000 work hours annually and allowing the team to focus on higher-value tasks.

COMMITMENT TO COMMUNITY AND CULTURE

Modern Niagara's impact extends beyond construction. The company is dedicated to positively influencing Canada's infrastructure and the communities where people live, learn, work and heal. Their culture emphasizes inclusivity and innovation, with values of passion, initiative, determination, professionalism and teamwork at the forefront.

As the Hard Rock Hotel & Casino project progresses, Modern Niagara continues to use collaborative strategies, technological innovations and commitment to community engagement to set a benchmark for this and future projects. This redevelopment not only revitalizes an existing structure but also promises to enhance Ottawa's entertainment landscape for years to come. ▼

Modern Niagara will use more than 250,000 pounds of sheet metal ductwork to support proper airflow throughout the casino, hotel and entertainment spaces of the Hard Rock Hotel & Casino Ottawa.



For more insights into Modern Niagara's role in this transformative project, watch the SMACNA Project Spotlight video on YouTube:
<https://www.youtube.com/watch?v=FcBzvm2gTvE&t=84s>





How to Navigate Explosive Growth

Allied Mechanical balances industrial megaprojects with customer loyalty and long-term strategy.

When Allied Mechanical took on a massive battery plant expansion, they weren't just tackling another project. Instead, they were stepping into a new era of explosive growth.

With a five-month period of continuous estimating and negotiations, the company faced a critical question: not if it is going to do this, but how?

"We felt confident in our team, our communication and our infrastructure," says Jason Boersma, Director of Business Development at Allied Mechanical. "But even then, you don't fully realize the scale until you're deep into the job, and there's no turning back."

A STRATEGIC LEAP INTO GROWTH

For Allied Mechanical, the project wasn't just a challenge; it was an opportunity to prove their ability to handle large-scale work while maintaining their existing customer base. Larry Decker, Sheet Metal Operation Manager, recalls the intense preparation process.

"We went through five months of estimating changes before even stepping onto the job site," Decker says. "Once we locked into a lump sum contract, there was no looking back."

That contract helped the company mitigate financial risk and ensure they could move forward with confidence. The company also had to secure additional

equipment to prevent failures in ductwork production and maintain efficiency.

EXPANDING THE WORKFORCE AT LIGHTNING SPEED

Taking on a project of this magnitude required strategic planning and a rapid workforce expansion. "We went from 60 sheet metal workers to over 150 in a six-month period," says James Oudbier, Estimator and Project Executive. "It was a taxing process, but we had incredible support across the board."

The need to grow quickly brought internal conversations about resources, workload and long-term impact. It wasn't just about completing one massive project. It was about setting the company up for continued success.

THE ROLE OF BIM AND TECHNOLOGY

A job of this scale also required advanced technological integration.

With a 1.7-million-square-foot facility and 2.5 million columns to account for, the company relied heavily on Building Information Modeling (BIM).

"Keeping ahead of changes in technology was critical," Oudbier explains. "BIM allowed us to model every aspect of the job, helping drive our success and keep the project moving forward."



Allied Mechanical's core team talks to SMACNA Annual Convention attendees about its company expansion and growth.

Partnering with external BIM firms proved to be a smart move, as it streamlined workflow and provided essential real-time data.

INFRASTRUCTURE AND LOGISTICS: PREPARING FOR THE FUTURE

The company's strategic investments in infrastructure proved to be a game-changer. Allied Mechanical operates two fabrication shops in Grand Rapids, Michigan, with 230,000 square feet of fabrication space.

"We had been searching for a facility to house our air compression tools for six years," Decker says. "By sheer luck — or divine intervention — we found the perfect location right before this project began, situated between our two shops."

With additional space and advanced equipment, the company positioned itself for future expansion, ensuring seamless operations even during high-demand periods.

THE HUMAN FACTOR: EMPLOYEE BUY-IN AND WORK CULTURE

As growth surged, the company needed more than just equipment and contracts. They needed buy-in from employees willing to put in extra hours.

"You can have the best project managers in the world, but if you don't have workers in the shop ready to go the extra mile, you can't get it done," Boersma says.

That meant having tough conversations about how much work they wanted to take on, how far they were willing to travel and whether it was sustainable. Expanding into new states like Indiana, Ohio and Kentucky required licensing adjustments and logistical shifts, but the team was up for the challenge.

NEW EQUIPMENT, NEW OPPORTUNITIES

Growth on this scale also forced the company to rethink its equipment strategy.

"Through this project, we realized new opportunities for long-term success," Boersma says. "We didn't just want to complete the job. We wanted to keep the employees we gained and expand our capabilities for future mega-construction projects."

This mindset led to investments in cutting-edge technology, duplicated shop setups to reduce production risk, and expanded licensing to multiple states, allowing them to bid on even larger projects.

MANAGING INTERNAL RESISTANCE AND FINANCIAL CHALLENGES

Not all growth comes without resistance. Boersma acknowledges that internal challenges and tough discussions arose along the way.

"We knew this would cause internal turmoil, but we worked through it," he says. "You have to mitigate those challenges through clear communication and leadership."

Financially, the job operated on a net 30 payment schedule, but the general contractor wasn't always on time. "They knew they had to show progress," Oudbier says. "We were the only trade moving forward, so we leveraged that to ensure payments kept coming."

BEYOND BATTERY PLANTS

While the battery plant expansion was a milestone, Allied Mechanical isn't stopping there. Their reputation has now positioned them as a go-to firm for major industrial projects, and they're continuing to expand their presence in the mega-construction market.

"If a customer wants us on their job, we'll estimate it, price it and deliver," Boersma says. "This isn't just about one project. It's about setting the stage for the next wave of growth."

With strategic investments, workforce expansion, and a willingness to embrace new challenges, Allied Mechanical is proving that explosive growth is about navigating work with precision, vision and a strong team. ▼



Left: Interior of Metro Air truck, stocked with refrigerant tanks, recovery machine, controls and replacement parts, welding outfit and ladders.

Top Right: Interior of Metro Air truck.

Bottom Right: Current installation of two air-conditioning systems at a residential customer's home in West Bloomfield, Michigan. Installed Bryant brand equipment with new R-454b refrigerant.

Flourishing in the Residential Market

Metro Air increases its residential customer base by focusing on customer service, continued employee education and cost control.

“Last year, we had our best business in 44 years,” says Jay Levin, president of Metro Air in Bloomfield, Michigan. “Our dollar volume went up almost \$1 million.” Much of that growth came from residential customers. “Residential used to be about 30% of my gross sales dollar-wise, but now it’s closer to 40%.”

Soon Metro Air will have 12 employees, with five of them dedicated to residential. “Every day the phone rings with a new referral. Almost all of our business comes from referrals.”

FOCUS ON SERVICE STANDARDS

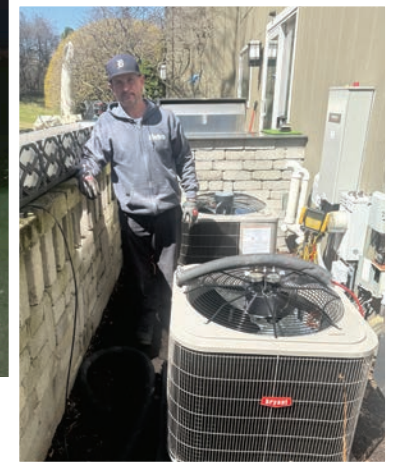
Metro Air’s success depends on customer satisfaction, so every month Levin reviews service standards with his team. “You greet the customer, and you listen to the customer,” he says. “You ask about problems.” His emphasis on the customer’s experience pays off in long, trusting relationships, with customers treating employees like guests in their homes. “We send the same guys to their houses every year, and they’re very welcoming. The guys put on booties and are respectful. Some customers let us in their homes, then leave us alone to lock up when

we’re finished. In 44 years, we’ve never had a problem at a customer’s house as far as safety or security.”

The residential market brings dependable work hours with routine spring and fall maintenance checks. “As the weather warms up, we check their air conditioners, shut their humidifiers down, change their filters and clean their coils,” Levin says. “The majority of our customers have large homes.” Besides two to five air conditioners, they might need two to five furnaces and three or four humidifiers. “We’ll have three guys just doing maintenance, probably taking 20 to 30 calls a day, for almost three months.”

Regular inspections allow technicians to identify potential problems before equipment fails. “We tell the customer everything we find, and most of them are proactive about making changes. We put in four or five air conditioners a week during air-conditioning season.”

Year-round service calls are another steady source of revenue that doesn’t depend on new construction. “I pay guys to be on call on weekends and for emergencies, whether it’s heating or cooling,” Levin says. “We give them all the overtime they want because our customers don’t like to wait two days for help.”



WE GIVE THEM ALL THE OVERTIME THEY WANT BECAUSE OUR CUSTOMERS DON'T LIKE TO WAIT TWO DAYS FOR HELP."

To ensure quick response times, each service truck is stocked with supplies. Metro Air is a Bryant dealer, and the trucks also carry generic parts to accommodate equipment that they didn't install. "We keep thousands of dollars' worth of parts in our trucks — motors, thermostats and controls that will fit on multiple brands," he says.

EDUCATING TEAM MEMBERS ON NEW TECHNOLOGIES

The newest residential HVAC technology requires increasing skills and more installation time. "High efficiency furnaces have a new way to vent. On average, it takes at least two men two hours longer to change a furnace now." Besides the extra work hours, two-stage gas furnaces require additional adjustments after installation. "Variable speed blowers come with switches and settings. We must do our due diligence to make sure the ductwork isn't making any noise."

Metro Air is in the process of adopting a new mildly flammable refrigerant, 454-B. "We have separate refrigeration gauges, recovery tanks and vacuum pumps," Levin says. "Anybody who doesn't educate their guys is going to be in real trouble. The supply houses offer free technical training. They'll even put a private class on for us. We've sent our technicians twice, and I'm probably going to send them one more time."

HELPING CUSTOMERS CONTROL COSTS

While rising work hours and modern equipment are pushing prices up, Metro Air keeps customers happy by helping them control costs. "If we go up to a 97% efficient furnace, our gas company gives customers \$500." SMACNA and Local 80 also provides a rebate program from targeting funds. "They get another \$200 from the SMACNA rebate, totaling \$700."

Metro Air used to talk with customers about tax breaks for installing energy-saving equipment, but the tax break ended for a time, then came back at a different level. "We tell them whether the equipment they're putting in qualifies as an energy star product, and that they're entitled to a rebate if there's a rebate offer, but we stopped telling customers what the rebates are."

They encourage customers to talk with an accountant or tax professional for current amounts. Changing tariffs are another source of uncertainty. To allow for rapid fluctuations in equipment costs, Metro Air's residential and commercial quotes are valid for only 30 days.

Metro Air has always invited customers to shop around for better deals, and Levin expects more customers to check with supply houses this year. "The numbers will be a little more eye-opening," he says. "Fortunately, we have good relationships with even our smaller customers. If they need help, we'll let them finance over six months." ▼

Top Left: Exterior of typical Metro Air truck, which are GMC Cargo vans.

Top Right: Completing the final stages of the installation of two Bryant Furnaces by Metro Air technician.

Bottom Left: Same installation of two Bryant Furnaces from a different angle.

Bottom Right: Completion of installation by Metro Air service tech.



COVER STORY

Union Contractors Make Capitol Hill Push at CEA Conference

SMACNA and CEA allies spotlight workforce, infrastructure and tax priorities to new Congress and administration.

*Deputy Secretary of Labor
Keith Sonderling.*

A tradition like no other: SMACNA representatives descended into Washington, D.C., for the latest edition of the Construction Employers of America (CEA) National Issues Conference.



Left: Former Congressman Earl Pomeroy (D-ND).



Right: Representative Pete Stauber (R-MN).

Over many years, the CEA has brought together some or all member groups to share the industry message with Members of Congress and the top administration officials. SMACNA, MCAA, TAUC and several other CEA members assemble each spring to learn more about the pressing legislative and political issues facing the union construction industry and engage with Members of Congress and their staff. The purpose of the CEA Washington Conference is simple: to steer policy questions that impact our members on an important collection of our top priorities, including workforce development, public sector contracting, procurement reform, business tax incentives, and much more.

This year's event took on added significance due to a new 119th Congress to educate and countless new appointments to brief in a changed administration. With any administration change, there are many new policy opportunities and many

new advocacy challenges. However, SMACNA and its CEA allies prepare for every CEA Washington Conference visit to elevate our members' issues nearer the top of the congressional and administration agenda for active consideration. The game plan is to make our industry's voice heard loud and clear.

This year's conference was again chaired by former Congressman Earl Pomeroy (D-ND). Pomeroy, a long-time champion of our industry in Congress, represented North Dakota until 2011 before becoming senior counsel at Alston & Bird for over a decade. Pomeroy once again demonstrated why he is respected throughout the union construction industry and by members of Congress on both sides of the political aisle.

The Monday session was opened with a fireside chat featuring Deputy Secretary of Labor Keith Sonderling. The deputy secretary has a long and distinguished career of federal agency service and policy involvement on la-

bor-management issues. From 2020 to 2024, Sonderling served as U.S. Equal Employment Opportunity Commission commissioner. Before that service, from 2017 to 2020, he served as the deputy and acting administrator of the Wage and Hour Division of the United States Department of Labor. As the Deputy Secretary, Sonderling functions as the Department's Chief Operating Officer. During his remarks, the Deputy Secretary highlighted a recent executive order seeking to expand apprenticeship opportunities. "We're looking to move past the 'you have to go to college' model," said Sonderling, offering the idea that the administration was looking to create over one million apprenticeships across the entirety of the skilled trades. "This is a lofty goal for sure, but it's one that we are hoping to have the industry's support for."

Following Sonderling was David Gardiner from the Combined Heat and Power Alliance. Gardiner, who has earned appointments at the



Left to Right: Stan Kolbe, Aaron Hilger, Keith Sonderling, Carmen Koo and Scott Vidimos.

executive level of government dating from the Clinton administration, detailed why there is a growing need to expand industrial energy efficiency by providing tax and program support for combined heat and power energy systems. He cited two developing areas of need within the nation's infrastructure: growing domestic manufacturing and the ever-increasing footprint of data centers nationwide. Gardiner emphasized that the combined heat and power infrastructure must expand, considering the rise of artificial intelligence and its requisite energy and data capacity needs. Gardner was direct in the importance of contractors in this process. "The people in this room are critical in meeting this skyrocketing demand. You are at the forefront of helping meet the needs of our ever-evolving marketplace."

With tariffs on the minds of every CEO in attendance, John G. Murphy from the

U.S. Chamber of Commerce outlined the opinion of the Chamber of Commerce, which is firmly opposed to the administration's tariff policies. Murphy highlighted the Chamber's arguments about how tariffs negatively impact foreign exports, trade balances and manufacturing throughout the United States. He also focused on how potential tariff retaliation by allies and adversaries could further harm the nation's economy. His presentation also outlined how Canada produces a significant margin of the aluminum consumed by U.S. firms. This fact results from Canada's widespread access to inexpensive hydroelectric power. Murphy also pointed to polling data that overwhelmingly indicated Americans are fearful and unsettled about the overall economic picture. Murphy further emphasized how Americans are concerned they will see growing inflation and a recession in the months ahead. He also pointed to

declining consumer sentiment and heightened stress in the bond market. Murphy concluded that it is still unclear if the administration's use of tariffs was designed as a bargaining strategy or a permanent revenue-raising tactic in long-term economic policy.

The first in the long list of leading congressional speakers was Representative John Garamendi (D-CA-8), who addressed CEA attendees on the critical issue of infrastructure investments. Garamendi, who sits on the House Armed Services and Transportation and Infrastructure Committees, lauded the efforts of the construction sector: "Major construction projects and programs are the lifeblood of our nation, and everyone here is responsible for building that foundation." He also urged everyone in the room to be direct and honest during their meetings with lawmakers on the Hill, "You need to be crystal clear with Congress about what you are seeing in front



Left: David Gardiner, Executive Director, Combined Heat and Power Alliance.

Right: Representative David Joyce (R-OH-14).

of you, you need to detail to them exactly the pain you are going through at this very moment."

Next on the issue-packed agenda was Philadelphia area Congressman Brendan Boyle (D-PA-2). Boyle is an influential voice in Congress on fiscal issues, with assignments on the Committee on Ways and Means and the House Budget Committee, where he serves as a ranking member. Boyle talked about the reconciliation process and where the Congress stood, quoting Yankees legend Yogi Berra, saying, "It gets late early." He spoke a little about the mechanics of the reconciliation process. He clarified that he wanted to work with the GOP, where possible, on tax and spending priorities in the quickly developing budget package. He also warned that many businesses and contractors in his district are holding up making important hiring and investment decisions because they were unsure about where this tariff and reconciliation process would end up.

The attendees were most fortunate to hear from the House Minority Whip Katherine Clark (D-MA-5) on the first day and House Majority Whip Tom Emmer (R-MN-6) on

the conference's second day. Clark, who represents suburban communities surrounding Boston, echoed several of the remarks made by her colleagues from the Democratic caucus. "No matter your ideological leaning, everyone wants a sense of certainty of where the economy is going ... you want to be in a position where you can plan out your life to a point that goes beyond one news cycle." She concluded her remarks by telling attendees, "You need to be put in a position to do what you do best ... build."

Pomeroy said, "Everyone in this room is the best at what they do. Members of Congress would be well served to listen to what you have to say." Agreeing with Pomeroy, SMACNA member Todd Byxbe of Miller Engineering Co., boosted Pomeroy's sentiment, "We are the subject matter experts, but we are also constituents. We can build relationships with members of Congress and their staff and take the lead in forming the policy that will shape the future of everyone involved in our industry."

The CEA attendees wrapped day one of the educational sessions by welcoming Jim Brewer, Director of

Legislative Affairs for North America's Building Trades Union (NABTU). Brewer brought greetings from the organization's president, Sean McGarvey, who could not attend this year's conference. He thanked union contractors and CEA staff in attendance for their ongoing support for key legislative items such as registered apprenticeships, project labor agreements and prevailing wages. Brewer also talked about NABTU's priorities regarding reconciliation, focusing on protecting labor standards within the existing tax code. He went into detail about their efforts to resist Department of Defense efforts to increase exemptions that would enable specific contracts to be executed without using a project labor agreement (PLA). "PLAs are a win-win for the government, the contractor and the taxpayer — we will continue to fight for this critical tool." Brewer also noted that he and his team constantly warned lawmakers to pass on any attempt further to contract the use of PLAs in the public sector.

Monday afternoon, the members in attendance departed for their appointments on Capitol Hill, where they met with their elected officials



Left: John G. Murphy from the U.S. Chamber of Commerce.



Right: Andrew Siff with Keith Sonderling.

in the House and Senate and their professional staff. This year's meetings proved more critically important than ever, with the uncertainty about record-level steel and aluminum and equipment tariffs and the reconciliation process front and center on the Hill agenda. Building on existing connections with staff is one of the more crucial aspects of each year's conference, and CEA was prepared to do just that. As the CEA clarifies to its conferees, congressional staff are the subject matter experts within each House and Senate office. They are often the ones who will counsel legislators on policy decisions and help them make decisions on how to vote and potentially which bills and amendments to co-sponsor. These meetings play a crucial role in this process and allow our industry representatives to educate Hill staff and members, often positively influencing lawmaking.

As attendees reconvened on Tuesday morning, they had

the opportunity to hear from several leading members of the House Republican Conference. House Majority Whip Tom Emmer (R-MN-6) was the first to address the attendees, giving everyone an honest assessment of Congress and America's current political climate. "We are currently amid a political realignment. The parties have changed, but the issues at their core have not." Emmer detailed that his priority with the tax legislation was to bring certainty to the American business community and everyday people. "We have been operating under temporary tax policy for decades, and when one administration leaves, the next one will come in and rip it up. We must chart a course enabling Americans to make long-term decisions." Emmer also took a moment to comment on how his party can navigate its historically narrow majority: "We aim to try to give everyone at least a sense that they have a seat at the table."

Following Emmer was Representative Pete Stauber (R-MN-8). Stauber, who sits on the House Committee for Small Business and the Committee on Transportation and Infrastructure, reiterated his support for the Davis-Bacon Act and its provisions that support high-quality union labor. "I think there are a lot of people on both sides of the aisle who forget the simple fact that both Davis and Bacon were Republicans." Stauber continued, "I want to see my neighbors work in high-skilled fields that contribute to the prosperity of America while also doing something that they love." He also explained his support for strong relations with Canada and Mexico: "A strong relationship with Canada and Mexico is critical. These two countries have been some of our strongest allies and most reliable trading partners for so long. Keeping these ties is in America's best interest."



Left: CEA Conference attendees.

Right: Congressman Brendan Boyle (D-PA-2).

Representative David Joyce (R-OH-14), the day's final speaker and SMACNA President Tom Martin's Congressman, discussed Congress's need to get contractors the necessary resources. "It is up to us to get you the workforce you need to get the work of our country done." The congressman also talked about what he perceived as the need for permitting reform, "We cannot wait four to five years for paperwork to clear to get shovels into the ground, considering the various challenges we face at the moment, we need to be getting the clearances out of the way in a reasonable fashion that doesn't see a project bogged down by red tape."

Joyce also discussed how he felt the government needed to become more nimble and better able to react to the needs of its constituents: "We need a government that moves at the speed of business and can tackle head-on the needs of its people in a way that enables prosperity."

At the end of the three-day Conference in the Nation's Capitol, attendees could see the impact of their work in conference sessions and on the Hill.

SMACNA's Executive Director of Government and Political Affairs Stan Kolbe agreed and emphasized, "The face-to-face educational meetings and contacts made by our contractors and executives over the limited time they are in Washington, D.C., are of incredible value to me and our association goals and achievements. While the progress made by our SMACNA member "lobbyists" who attend the CEA Conference cannot be fully appreciated now, every year I see in the weeks and months to following the CEA how the connections they made with their lawmakers, coupled with the contractor messaging directly to top staff and members pay off big-time. The benefits of SMACNA on issue after issue and vote after vote serve our industry and Congress.

Kolbe continued, "I greatly appreciate everyone who makes the journey to Capitol Hill to share their policy views and business stories with staff and members of Congress. It is how our system works best when informed business CEOs speak contractor truth to powerful members who are often inexperienced in construction. These Hill meeting sessions are needed to support our aggressive legislative advocacy campaign and the industry's union contractor segment."

In this period of increasing uncertainty on various fronts, having a seat at the table is more important than ever. Warren Creamer of SMACNA Boston, who was attending CEA for the very first time, summarized his experience at CEA: "So many of us have been on the sidelines. We can't afford to be on the sidelines any more ... unless you are getting out there and getting your message out to those who make the decisions, you will be left behind. ▼"





FEATURE STORY

Fab Forum Showcases Innovation and Training in Boston

**Sheet metal leaders gather
for hands-on learning and
facility tours.**

The 2025 Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) Fab Forum on April 7-9 in Boston, Massachusetts, wasn't just another trade show. It was a working summit for the sheet metal and HVAC industry, where the promise of technology met the grit of real-world fabrication.



From formal sessions on topics like workforce development and AI best practices to networking opportunities, Fab Forum attendees took home a lot of information to help better their businesses back home.

Over three days, more than 200 contractors, engineers and industry leaders gathered for facility tours, hands-on learning and frank discussions about what's next for fabrication, workforce and technology.

WALKING THE SHOP FLOOR

The event's highlight was the exclusive tour of McCusker-Gill's 60,000-square-foot fabrication facility in Hingham, Massachusetts — a shop renowned for its clean layout, digital integration and top-of-the-line equipment.

Attendees saw firsthand how the team uses automated plasma tables, digital layout

tools and cloud-based tracking to manage complex HVAC ductwork projects. Attendees thought the way they integrated real-time tracking and digital workflows was a blueprint for what's possible in their own shops.

It's great "seeing how different companies do different things," explains Keegan Knoup, a technician at Helm Mechanical, Freeport, Illinois. "Just because you may think you're the best at something doesn't mean you are or that someone isn't doing it better than you."

What impressed multiple people was McCusker-Gill's prefabrication area.

"They have 30,000 square feet just for prefabrication," exclaims Allison Ostberg, training coordinator for Western Washington JATC. "Seeing the workflow and process they have was amazing."

"I've never seen a shop that has a whole dedicated prefabrication space like they do. I've heard of it but never seen it done, so it was really cool to see it today," Knoup adds.

"The shop's workflow is so straightforward. It was one of the cleanest shops I've ever seen," adds Michell Acosta, vice president of operations at Acosta Sheet Metal Manufacturing, San Jose, California. "Getting an idea of how they



move things through their workflow is really interesting. The tour was really informative and very valuable.”

The tour of Sheet Metal Workers Local 17’s training center in Dorchester, Massachusetts, was equally impactful. Attendees got a close look at how the next generation is being trained on both legacy skills and the latest digital tools.

Local 17 center offers a comprehensive apprenticeship program that covers both traditional sheet metal skills, such as hand fabrication, welding and HVAC installation, and advanced digital tools, such as 3D modeling, computer-aided

drafting (CAD) and automated fabrication equipment. Apprentices rotate through hands-on stations, learning everything from blueprint reading to operating plasma tables and digital layout systems.

Local 17’s training center is also committed to community outreach, working with local high schools and job fairs to attract a diverse new generation of sheet metal workers. Attendees praised its ability to prepare apprentices for the real world.

AI, AUTOMATION AND THE HUMAN FACTOR

The forum didn’t shy away from the tough topics. Hugh

Seaton, SMACNA’s AI consultant and founder of The Link.ai, delivered a keynote that was both optimistic and cautionary about the intersection and overlap of AI, robots and automation.

“AI is a prediction machine,” Seaton says. “It’s great for repetitive tasks — inventory, paperwork, warehousing — but it’s not a replacement for the judgment and intuition that experienced tradespeople bring to the table.”

This means AI isn’t going to take on real jobs overnight like some people fear, and the construction industry has the ability now to shape the path AI takes moving forward.

More than 200 people attended Fab Forum in Boston, which included a tour of Sheet Metal Workers Local 17 training center in Dorchester, Massachusetts, as well as a tour of McCusker-Gill’s 60,000-square-foot fabrication facility in Hingham, Massachusetts.



From facility tours to insightful conference speakers, Fab Forum had something for everyone.

“Contractors get to choose what they adopt with AI and say, ‘This is what we need it to do and this is what we don’t trust it to do,’” Seaton explains.

Ostenberg was relieved to hear this. It was refreshing to hear “your job isn’t at risk and you just have to stay up to date and learn how to operate the equipment, and it’s not going to take your job; it just shifts it,” she says.

While the risk isn’t that AI will take your job, there is a “risk is that people will over-rely on it and stop thinking critically,” Seaton says, adding that by shaping the

technology, contractors can tell vendors what they need and not the other way around.

“As managers, business owners and individuals in their own careers, it’s important not to fall into the trap of over-relying on AI,” Seaton stresses. “If you let it, it will diminish the habit of critical thinking. Be vigilant about not passing things through AI without looking at it. Make sure there’s a step where a human is involved. If you’re aware of the dangers, own the output and check it.

“AI has lots of promise,” he continues, “but you just have to know the risks.”

PEER LEARNING AND WORKFORCE DEVELOPMENT

Networking at the Fab Forum was more than just handshakes and business cards. You learn as much from your fellow contractors as you do from the formal sessions. It’s about sharing what works and what doesn’t.

“The networking has been fabulous,” Ostenberg says. “I connected with someone in my local area that I haven’t met before that is interested in coming and teaching some continuing education classes at our JATC, so I’m excited about that.”



“AS MANAGERS, BUSINESS OWNERS AND INDIVIDUALS, IT’S IMPORTANT NOT TO FALL INTO THE TRAP OF OVER-RELYING ON AI.” — HUGH SEATON

The event also spotlighted the industry’s push to recruit new talent. As covered by SMACNA, efforts to bring high schoolers into the trades are revitalizing shop classes and helping fill the workforce pipeline — a theme echoed throughout the forum.

A COMMUNITY LOOKING FORWARD

The 2025 Fab Forum was, at its heart, a gathering of people who care deeply about their craft and their future. It was

less about hype, more about honest assessment and practical steps forward. As Seaton puts it, “The next assembly line for our industry will be built by people in this room ... if we keep thinking critically and sharing what we learn.”

Leaving Boston, attendees weren’t just carrying swag bags; they were bringing home new ideas, new connections and a renewed sense of purpose. The real work, as always, starts back in the shop. ▼

Takeaways: What Contractors Brought Home

- **Facility tours matter.** Seeing best practices in action — whether it’s McCusker-Gill’s digital workflow or Local 17’s training model — gives contractors concrete ideas to implement.
- **Technology is a tool,** not a crutch. AI and automation can boost productivity, but critical thinking and hands-on expertise remain irreplaceable.
- **Networking drives innovation.** The informal exchanges at events like Fab Forum often spark the most actionable ideas.
- **Shape your own future.** Don’t wait for technology to happen to you. Be proactive in demanding what you need.



FEATURE STORY

Safety First, Profits Follow

How prioritizing safety builds a more profitable and sustainable business.

In today's fast-paced construction and mechanical contracting industries, safety is often viewed as a compliance requirement rather than a competitive advantage. However, industry leaders argue that a strong safety culture not only protects workers but also enhances profitability and business sustainability. At the 2024 SMACNA Annual Conference, panelists shed light on how small businesses can unlock the true value of safety programs.



THE COST OF CUTTING CORNERS

Moderator Justin Crandol, SMACNA Director of Safety, emphasizes that safety is not just about avoiding accidents. It's about building a culture that supports long-term business success. "Too often, small businesses look at safety as an expense rather than an investment," Crandol says. "But when you prioritize safety, you see reduced insurance costs, increased worker productivity and a stronger reputation in the industry."

Jay Hansen, Owner of C.J. Hansen Co., shares firsthand how investing in a safety culture transformed his business. "We used to take a reactive approach to safety, dealing with issues as they came up," Hansen says. "Once we made safety a core value, not only did our incident rates drop, but we also saw an increase in employee retention and overall efficiency on job sites."

HOW SAFETY BOOSTS THE BOTTOM LINE

Insurance premiums, legal fees and downtime from accidents can be major finan-

cial burdens for businesses. Justin Cumnock, Broker at Anchor Insurance and Surety Inc., highlighted the insurance benefits of strong safety programs.

"A company with a solid safety record pays significantly less in premiums over time," Cumnock says. "Underwriters look at safety history closely, and businesses that proactively manage risk are rewarded with better rates and more favorable terms."

Beyond insurance, businesses that prioritize safety also experience improved productivity. "When workers feel safe, they work more efficiently," says Stacey Smyly, Executive Director of SMACNA Kansas City. "They don't have to hesitate or second-guess their actions because they trust the protocols in place. That level of confidence translates to better performance on the job."

BUILDING A CULTURE OF SAFETY

Establishing a strong safety culture requires more than policies and checklists; it demands leadership commitment and employee engagement. Hansen emphasized

that leadership must set the tone from the top. "If the owner or project manager doesn't take safety seriously, employees won't either," he says. "We make sure our supervisors lead by example, whether it's wearing PPE or conducting daily safety briefings."

Cumnock notes that training is another critical component. "Ongoing training ensures that safety isn't just a one-time conversation," he says. "Employees need to understand not just the 'what' but the 'why' behind safety protocols."

Smyly adds that open communication channels are key to reinforcing a safety-first mindset. "Workers need to feel comfortable reporting hazards without fear of retribution," she says. "Creating an environment where safety concerns are addressed proactively makes a huge difference."

NATIONAL SAFETY MONTH: A REMINDER FOR BUSINESSES

June is National Safety Month, an initiative led by the National Safety Council (NSC) to raise awareness about

As SMACNA Annual Convention panelists say about safety: "When you prioritize safety, you see reduced insurance costs, increased worker productivity and a stronger reputation in the industry."

“INVESTING IN SAFETY ISN'T JUST THE RIGHT THING TO DO; IT'S THE SMART THING TO DO.”
— JAY HANSEN

workplace safety. This annual campaign serves as a reminder that safety should be a year-round commitment, and not just a one-time initiative.

Crandol encourages businesses to use National Safety Month as an opportunity to reassess their safety programs. “This is a great time to review your policies, conduct refresher training, and engage employees in safety discussions,” he says. “It’s also a chance to celebrate safety

successes and recognize employees who uphold safety standards.”

Smyly pointed out that leveraging smart safety resources from organizations like SMACNA and NSC can help businesses implement effective safety strategies. “There’s a wealth of information out there — from toolkits to webinars — that can help small construction businesses enhance and improve their safety programs,” she says.

THE TAKEAWAY: SAFETY IS SMART BUSINESS

The panelists agree that when HVAC and sheet metal businesses prioritize safety, the benefits extend far beyond compliance. From lowering costs and improving productivity to fostering a positive workplace culture, a well-executed safety program is a game-changer.

“Investing in safety isn’t just the right thing to do; it’s the smart thing to do,” Hansen says. “The companies that understand this are the ones that thrive.”

For small businesses looking to gain a competitive edge, the message is clear: put safety first, and profits will follow. ▼

Inside SMACNA's Latest Guides



Get the NEW Project Manager RFI Handbook

Master the RFI process with SMACNA's Project Manager RFI Handbook — a practical guide for sheet metal and HVAC professionals. Get checklists, examples, templates and best practices to improve workflow and protect your company's interests. For more information: <https://store.smacna.org/241je9e>.



Updated Integrated Project Delivery Manual

Integrated Project Delivery (IPD) is a collaborative project delivery method that strategically aligns project stakeholders, including owners, designers, contractors, subcontractors and consultants, to function as a unified team from the earliest project phases through completion.

This guide provides a comprehensive overview of IPD, specifically designed for sheet metal, HVAC and mechanical contractors interested in entering and expanding their market share in healthcare and other IPD sectors. This edition is an update to the 2020 SMACNA guide. For more information: <https://store.smacna.org/24013cu/>.





FEATURE STORY

A “Good Catch” for Safety

icon Mechanical's proactive safety approach earns SMACNA's 2024 Safety Innovation Award.

icon Mechanical, a contractor based in Granite City, Illinois, was named the 2024 Safety Innovation Award winner by the Sheet Metal and Air Conditioning Contractors National Association (SMACNA). This honor was for the company's “Good Catch” program, which empowers employees to identify and report potential hazards before they become safety incidents.

At SMACNA's 2024 Annual Convention, icon Mechanical's Senior Vice President Paul Klaus and Safety Director Joe Shryock, shared insights into the company's safety culture and the initiatives that have made their workplaces safer. “Safety is not just a policy at icon Mechanical; it's a core value that guides every decision we make,” Klaus emphasizes.

THE ‘GOOD CATCH’ PROGRAM

One of icon Mechanical's standout safety initiatives is the “Good Catch” program, which leverages technology to engage employees in hazard prevention. The program features QR codes strategically placed on Job Safety Analyses (JSAs),

at Toolbox Safety Talks (TBSTs), and throughout project sites, allowing employees to report real-time safety observations.

This proactive approach ensures that potential dangers are addressed quickly, reducing risks before accidents occur. When the program was launched, the company received over 300 safety submissions, helping them surpass 1.5 million work hours without a lost-time incident in 2023. Since then, they have increased the submissions to over 1,200, allowing them to continue to grow their safety program. “We are deeply honored to receive the SMACNA Safety Innovator of the Year Award,” Shryock states. “This recognition reflects our steadfast dedication to safety and our commitment to pioneering practices that ensure our team's and clients' well-being.”

INVESTING IN INDUSTRY-WIDE SAFETY LEADERSHIP

icon Mechanical isn't just focused on internal safety; it's also committed to advancing safety industry-wide. The company sponsored the inaugural Associated General Contractors

of Missouri (AGCMO) Safety Champion Award, recognizing field employees who demonstrate outstanding safety leadership. The 2025 award includes a \$4,500 travel voucher, encouraging recipients to enjoy a well-earned experience with their families.

A HISTORY OF SAFETY EXCELLENCE

The 2024 Safety Innovation Award is just the latest recognition for icon Mechanical. The company has earned multiple national safety awards, including the Mechanical Contractors Association of America (MCAA) Safety Excellence Award in 2020. Their approach prioritizes integrating safety into daily operations, ensuring production never overshadows employee well-being. “Our goal is for every individual to return home safely each day,” Klaus says.

Through innovative programs like “Good Catch,” strategic safety partnerships and a deeply ingrained safety-first culture, icon Mechanical continues to set the standard for workplace safety. It proves that investing in these programs leads to a safer work environment for all. ▼

icon Mechanical winning the 2024 Safety Innovation Award at the SMACNA Annual Convention.





HVAC Tax Credits on the Chopping Block in House GOP Tax Plan

In May, House Republicans unveiled their much-anticipated tax package, and the news was not great for HVAC tax credits. The 389-page bill included the repeal of two major HVAC tax credits that address residential energy efficiency improvements. This includes the Section 25C tax credit for HVAC systems, also known as the Energy Efficient Home Improvement credit.

While this was first introduced in the Energy Policy Act of 2005, it was significantly expanded on Jan. 1, 2023, following the passage of the Inflation Reduction Act. This expansion provided homeowners with a tax credit of up to \$3,200 per year (30% of the cost of qualified improvements) for items such as heat pumps, home energy audits and air sealing and insulation.

The proposal would repeal the tax credit at the end of 2025. It has been scheduled to run through 2032. More than 2.3 million American households took advantage of the 25C homeowner efficiency improvement credit in 2023, taking an average credit of nearly \$900.

Also affected would be the Residential Clean Energy Credit (25D) — a federal incentive to encourage homeowners to invest in renewable energy systems, including geothermal. The credit is equal to 30% of the total cost (including labor and installation) for eligible systems installed between 2022 and 2032. The 25D credit has no annual or lifetime dollar limit.

"Tax credits for geothermal heating and cooling systems have historically enjoyed strong bipartisan support that existed long before the Inflation Reduction Act," said Ryan Dougherty, executive director, Geothermal Exchange Organization (GEO).

This is not the first time these tax credits have gone away for the geothermal industry since their inception in 2006. In 2017,

a clerical error left geothermal out of a renewable tax credit. Geothermal technology was not eligible for the tax credits that year, while solar and wind were. As a result, in 2017, geothermal sales dropped by 50%.

"We cannot let that happen again, and GeoExchange will be working around the clock to see residential credits restored in the final package," Dougherty said. "It is important that Congress recognizes the relatively low cost of geothermal credits is far outweighed by the return on that investment. Geothermal systems lower consumer energy expenses, foster domestic manufacturing and workforce, and strengthen our nation's electric grid. If we are serious about energy dominance, Congress must support the geothermal industry."

In 2023, 1.2 million American families took advantage of the residential clean energy tax credit.

"Without this tax credit, the upfront cost of geothermal systems would become less competitive, likely resulting in reduced installations, job losses and a slowdown in the industry's momentum toward broader clean energy adoption," said Joe Parsons, senior marketing sustainability manager of Climate Control Group. "U.S. manufacturers of geothermal heat pumps and drilling equipment, loop installers, and HVAC distributors and contractors who have invested heavily to meet the surge in consumer demand since the credits were implemented in September 2022 now face instability and market disruption, undermining the confidence that federal incentives had helped establish."

The U.S. Green Building Council (USGBC) is calling on Congress to reject proposed budget reconciliation legislation that would repeal critical federal tax incentives and other initiatives that promote energy affordability, grid reliability and job creation.

"A vote to repeal these tax incentives is a vote to raise energy costs for millions of American households and businesses while discouraging billions of dollars of investment in the construction and real estate sectors," said Elizabeth Beardsley, senior policy counsel at the USGBC. "Businesses need certainty to invest and grow. If these drastic changes are enacted, projects will be canceled. Investment will slow. And the people who will lose out the most are workers in the building trades."

Stan Kolbe, SMACNA's executive director for government and political affairs commented to media and Capitol Hill staff and Members of Congress after the House bill was drafted, "While there is much our firms and industry endorses in the H.R. 1 as passed by the House, we regret the House version included termination at year-end of the highly popular and valued IRA residential market tax credits (25C, 25D, 45L) and programs necessary to boost the important consumer-oriented contractor and HVAC equipment retrofit markets. Without fail, our residential market members have indicated their strong support for the 25C Energy-Efficient Home Improvement Credit and many of the incentives stimulating consumer upgrades and appliance sales for industry allies." Further, after extensive discussions in May and June we are encouraged that a solid coalition of nearly two dozen House Republicans recently signed a letter supporting 25C and 45L, and 25D and the IRA related commercial and industrial incentives moving the market in a time of growing tariff and project pauses creating anxiety in the industry client base."

After reviewing the House passed business section of the reconciliation package



FINANCIAL STEWARDSHIP

Ronald J. Eagar

Financial Resilience: Strengthen Your Scenario Planning in 2025

Halfway through 2025, and from where we all stand, contractors' continued challenges may seem unpredictable. Material costs have fluctuated due to regulatory changes and supply chain disruptions. Labor challenges persist with a shrinking pool and an outright shortage of talent. Contractors dependent on critical materials like steel and aluminum, and the corresponding need for capable labor, may wonder how they can better prepare for the future.

When external factors shift rapidly, traditional forecasting often struggles to keep up with reality. Predicting tomorrow's material costs, labor availability or regulatory changes can be challenging and sometimes even daunting. Scenario planning offers a structured approach to tackle uncertainty, allowing contractors to prepare accordingly, based on how the future unfolds. To navigate the unexpected and strengthen your financial footing, consider these five strategies to strengthen your scenario planning in 2025 and beyond:

1. Develop Multiple Cost and Supply Chain Scenarios

Effective scenario planning begins with identifying distinct possibilities that your company may face. For example, consider a baseline scenario where current conditions remain constant; an escalation scenario involving tariffs or regulatory changes that result in sudden material cost increases; and a disruption scenario, such as a considerable breakdown in the supply chain, a labor shortage or a significant event affecting project financing or material availability. By outlining these possibilities, you can develop more tailored contingency plans and be ready to react.

2. Monitor Early Warning Signals for Each Scenario

To act before challenges escalate, actively monitor signals that suggest a shift, such as:

- Prolonged lead times for key materials.
- Price fluctuations in commodity markets.
- Announcements of new tariffs or trade policies impacting material imports.
- Suppliers shortening pricing guarantees.
- Subcontractors submitting higher bids or delaying commitments.

- Project owners pausing approvals or rushing contracts.

Regularly monitor these indicators and establish thresholds to trigger contingency plans.

3. Use Technology to Strengthen Your Planning

You can leverage construction tech, such as project management platforms, forecasting tools and real-time dashboards, to build more intelligent scenarios and respond faster. These tools help you track material pricing, lead times and labor availability across projects, making it easier to spot trends and simulate "what-if" scenarios.

4. Adapt Contracts and Pricing Models for Flexibility

Refine your contracting approach to navigate volatility and incorporate flexibility that mitigates risks. Key adjustments to contracts and agreements could include:

- Price escalation clauses associated with volatile materials such as cement or copper wiring, to share cost risks with owners.
- Force majeure clauses covering disruptions to protect against unforeseen events.
- Streamlined change order processes with pre-agreed timelines to expedite approvals.
- Flow-down clauses in subcontractor agreements to align terms and distribute risks consistently.
- Robust pre-qualification for suppliers and subcontractors to prioritize partners with reliable delivery records.

5. Strengthen Cash Flow with Scenario-Based Planning

To strengthen cash flow resilience, develop customized cash flow strategies for specific scenarios and potential challenges, such as delayed payments or rising costs.

MOVING FORWARD

As the construction industry navigates 2025's complex challenges, the companies that thrive won't be those that predicted the future correctly, but those that plan for and are prepared for multiple possibilities. ▼

For more information, contact Ronald J. Eagar, CPA, CCIFP Partner at Grassi, at reagar@grassiadvisors.com, through www.grassiadvisors.com or 516-336-2460.



LEGAL

Grant Collins

NLRB In Limbo Following the Unprecedented Removal of Member Gwynne Wilcox

In early 2025, President Trump removed Gwynne Wilcox, a Democratic appointee to the National Labor Relations Board (NLRB), despite the fact that her five-year term did not expire until 2028. He cited her record of decisions that allegedly favored labor unions over employers. The move, unprecedented in the agency's history, sparked a series of legal challenges and raised fundamental questions about presidential authority and the independence of federal agencies like the NLRB. It means that the NLRB currently has only two members, instead of the three-member "quorum" required by the Supreme Court's 2010 decision in *New Process Steel v. NLRB*, 560 U.S. 674 (2010). Nevertheless, the NLRB continues to function in many areas even in the absence of a three-member "quorum."

WILCOX CHALLENGES HER DISMISSAL

Wilcox filed a lawsuit challenging her removal. She argued that her dismissal violated Section 3(a) of the National Labor Relations Act (NLRA), which permits removal of NLRB members only for "neglect of duty or malfeasance in office" and requires a notice and hearing.

In March 2025, U.S. District Judge Beryl Howell issued a decision finding that President Trump's action was "blatantly illegal," emphasizing that the president's authority does not extend to removing independent agency officials without cause. Judge Howell ordered Wilcox reinstated to her position at the NLRB.

THE SUPREME COURT'S INTERVENTION

The legal battle escalated when the Trump administration appealed the decision, bringing the case before the U.S. Supreme Court. On April 9, 2025, the Supreme Court issued an emergency ruling allowing Wilcox's dismissal to stand. The Court's majority noted that:

"Because the Constitution vests the executive power in the President, see Art. II, §1, cl. 1, he may remove without cause executive officers who exercise that power on his behalf, subject to narrow exceptions recognized by our precedents."

The Court did not rule on the merits of Wilcox's lawsuit. The Court also rejected Wilcox's argument that the President's authority to remove NLRB members without

"cause" could be applied to members of the Federal Reserve, including Chair Jerome Powell.

Wilcox's lawsuit now returns to a federal appeals court before it can return to the Supreme Court. Thus, it will likely be more than one year before the Supreme Court finally resolves the issue of whether the President's removal of Wilcox was lawful.

IMPLICATIONS FOR THE NLRB

Wilcox's removal reduces the NLRB to just two members, which is one short of the three-member quorum. During the loss of quorum, there are several operations of the NLRB that remain unchanged, including:

- Unfair Labor Practice Charges (or ULPs) — The NLRB continues investigating and prosecuting ULP charges. If the NLRB finds merit to the ULP charges, then the NLRB files a complaint and holds a hearing before an administrative law judge (ALJ).
- Representation Elections — The NLRB continues processing election petitions and holding NLRB elections.
- Other NLRB operations are delegated to the Chief ALJ during the NLRB's loss of quorum. These include: requests for special permission to appeal, motions for default judgment, motions for summary judgment and motions for dismissal. While the Chief ALJ can issue rulings on these matters, those rulings remain appealable to the NLRB. In the absence of quorum, the NLRB cannot rule on those appeals.

Finally, some NLRB operations cease during any period in which the NLRB lacks quorum. These include:

- Appeals to the NLRB — In ULP cases, parties have the right to file exceptions or appeal the ALJ's decision. When the NLRB lacks a quorum, the NLRB cannot issue decisions on these appeals, causing ULP cases to stall indefinitely.
- Requests for Review to the NLRB — In representation cases, parties can "appeal" certain decisions directly to the NLRB. The NLRB cannot process these appeals if the NLRB lacks quorum. ▼

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