New President, Congress offer challenges for industry

President-elect Donald Trump and very narrow U.S. Senate and House GOP majorities will find a long list of campaign pledges to fulfill when they meet in January 2017. For the construction industry, there are opportunities—and challenges—to work for with the new Congress on Capitol Hill and in the Trump transition team.

Continued on page 3

SMACNA members increase share as markets heat up

Engineering News-Record magazine published its annual Top 600 Specialty Contractor “who’s who” industry rankings in October. SMACNA contractors saw their revenues and market share increase.

In 2016, SMACNA members’ earnings comprised 61 percent of ENR magazine’s top 50 mechanical contractors’ $14.9 billion category. In 2015, SMACNA’s mechanical contractors’ share was 57 percent of $14.9 billion.

In 2016, things heated up in the sheet-metal category. SMACNA contractors dominated by capturing 80 percent of the $1.2 billion category. Whereas in 2015, SMACNA members were responsible for only 63 percent of total sheet metal revenues of $692.5 million. The total revenue of the sheet metal category skyrocketed from $692.5 million in 2015 to $1.2 billion in 2016.

Fourteen SMACNA members made it into the top 20 sheet metal ranks in 2016, compared to only 11 in 2015.

Continued on page 5
**President’s Column**

**It’s time you were rewarded: Become a mentor**

**Joseph Lansdell**

When I was getting into this industry, the best advice I received was: Don’t just do your job and go home, get involved in your local industry, in training, or in SMACNA. Not only was that the best advice I ever received, it turned out to be most rewarding for me personally and it’s been very good for the success of our company, too.

It is one thing to be in a trade and there is another thing to push your industry forward. To move the ball down the field... to pay it back. We all have day jobs. Some of us fabricate, others install, some draw, some sell, and some manage, but we also have second jobs in this industry. Second jobs that are more important, quite frankly, than the main one. It is called mentorship.

In Indiana, our chapter executive started something we called Contractor School. We invited all local apprentices in for two days of life skills classes—time management, personal finance, and even their own personal elevator speech. The part I liked best was the open discussion they had with us contractors. We talked about why we were in the industry and what we look for in employees. They told us things we didn’t know and a few things we maybe didn’t want to hear.

Contractor school was win-win for everyone involved—the apprentices learned how to advance career-wise and we got some insight into who our future company leaders might be.

Educating your team is a mentor’s responsibility and SMACNA offers some of the best educational opportunities around. Go to the Events & Education tab at www.smacna.org and select National Education for details on:

- **Business Management University** - Feb. 26 - March 2, 2017 (Tempe, Ariz.)
- **Supervisor Training Academy** - March 20-22, 2017 (St. Louis, Mo.)
- **Project Managers Institute** - April 23-26, 2017 (Raleigh, N.C.)
- **Financial Boot Camp** - May 21-24, 2017 (Tempe, Ariz.)

Our programs promise to send your employees home with a new understanding and appreciation for your business, and they do, because the coursework is tailored to the specific needs of the sheet metal and HVAC business.

One of my responsibilities as SMACNA President is to share what I’ve learned over the years at the Business Management University this coming February. Please consider sending someone to this dynamic course of leadership lessons. I look forward to meeting them and having yet another opportunity to be a mentor.

It is our responsibility to make today’s apprentices tomorrow’s leaders – the survival of our businesses depends upon it. So, take your second job very seriously. Please be a mentor. Get involved.

Sincerely,

Joseph Lansdell
SMACNA President

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**In Memoriam:**

**Robert A. Zill Sr.**

Former SMACNA President Robert A. Zill Sr., 90, of Darien, Ill., passed away on Oct. 13, 2016. He served as national SMACNA president from 1993 to 1994 and was a member of the Association’s board of directors from 1987 to 1991. He began his career in the sheet metal industry in 1949 as a cost accountant and progressed to president and owner of American Blow Pipe Inc. in Chicago.

In his 1994 national SMACNA president annual business meeting report he stressed that the Association must guard against placing self-interest above the interests of the group, because with a unified front will come survival, growth, and profit for each of us. “Strength in unity,” is how he phrased it.

“Speak kindly, for we all seek what is right, and there’s more than one road to reach success; but, whatever road we do take, it must be headed in a forward direction,” he challenged.

Mr. Zill’s industry involvement included serving as a trustee of the National Training Fund (now the International Training Institute) and a SMACNA-IFUS trustee. He was inducted into SMACNA’s prestigious College of Fellows in 1994 and served on the College’s Board of Governors from 1999-2002.

As an officer and director of two Chicago-area associations for sheet metal contractors, he helped initiate a series of mergers that consolidated three area associations. The result was the creation of the Chicagoland Sheet Metal Contractors Association.

He was the Chicago area Sheet Metal Contractors Association president from 1984 to 1985. In addition, he served on the Joint Arbitration Board, and the Metropolitan Chicagoland Sheet Metal Industry Fund.
Council meeting highlights
Helmets to Hardhats, new markets

Members of SMACNA’s Council of Chapter Representatives discussed relevant issues, including new markets, the Helmets to Hardhats program, and market sector updates, which generated an exchange of valuable information at their December meeting.

New Horizons Foundation explores taking the risk out of new markets

Dr. Mounir El Asmar, a faculty member from Arizona State University’s School of Sustainable Engineering and the Built Environment, shared a method that can help contractors make decisions about entering new markets. The framework consists of a 10-step process that is part of a comprehensive report that the New Horizons

Continued on page 5

SMACNA’s Director Nominating Committee announced

SMACNA President Joseph Lansdell recently made five appointments to the SMACNA Director Nominating Committee. These appointees join five other members who were elected during SMACNA’s business meeting held at this year’s annual convention in Phoenix in October.

Elected at the convention were: At-Large-Member – Jason Hanson, Dakota Metal Fabrication Inc., Minot, N.D.; Eastern Region – Gary Luthe Sr., Luthe Sheet Metal Inc., Cherry Hill, N.J.; Western Region – John Gundlach, PSF Mechanical Inc., Seattle, Wash.; Midwestern Region – Todd Byxbe, Miller Engineering Co., Rockford, Ill.; Southern Region – Keith Harris, BHW Sheet Metal Company, Jonesboro, Ga.

The appointees are: Mitch Hoppe, Melrose Metal Products Inc., Fremont, Calif.; Kevin Jones, Richards Sheet Metal Works Inc., Ogden, Utah; Anthony Kocurek, Energy Balance and Integration LLC, Albuquerque, N.M.; Al LaBella, Blue Diamond Sheet Metal Inc., Medford, N.Y.; and Randy Novak, Novak Heating and Air Conditioning Inc., Hiawatha, Iowa, who will chair the committee.

Capitol Hill Update

New President, Congress offer challenges for industry

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New tax breaks could build infrastructure

The opportunity list for construction contractors includes many new Trump Administration promises to address the national infrastructure needs for roads, airports, water systems, bridges, and public buildings including military bases and veterans’ health facilities. While Congress has resisted raising tax revenue for these needed investments in recent years, President-elect Trump is suggesting a new and massive tax break for private funding of infrastructure through infrastructure investment bonds.

A new tax incentive for an infrastructure bank will need to be passed early in the new Congress and it is the hope that private investors will purchase infrastructure bonds in sufficient amounts in all states to advance construction projects.

Congress must act on airport construction, water bills

With the FAA’s airport construction program expiring in September 2017, Congress must act to reauthorize a major airports program. In addition, a comprehensive water resources bill must be passed for urban water systems.

In October, Mr. Trump proposed a $1 trillion, 10-year “revenue-neutral” energy infrastructure plan in his first 100 days to promote energy exploration and fuel transportation, extraction, and refining upgrades.

One legislative initiative SMACNA and other industry groups have supported in Congress is a bipartisan bill that would allow the repatriation of overseas corporate profits if a portion of the profits would be invested in infrastructure bonds and some would go to offsetting the deficit.

Probable tax reform puts energy efficiency incentives in doubt

Also, a priority is a $5.5 trillion-dollar tax package to stimulate the economy and include a long list of investment incentives, corporate rate cuts to a yet-to-be-specified list of targeted incentives. Tax reform is expected to move on Capitol Hill and that raises questions concerning the many energy efficiency incentives for residential, commercial, and industrial retrofits and new construction.

Repeal of ACA could impact booming health-care construction

Another big question is should Congress and the White House move to repeal the Affordable Health Care Act (ACA)? What would the impact be on the fast-growing health-care facilities construction sector?

Labor-management issues under the microscope

Challenges for the union segment of the construction industry will be how the new Trump Administration handles the labor-management issues of Davis-Bacon, project labor agreements (PLAs), and multiemployer pension plan reforms.

While the House has narrowly supported each in the past, the Republican platform vows to repeal Davis-Bacon and PLAs—but is silent on pension reforms.

Many regulations will be examined

A long list of regulations governing environmental quality standards, federal apprenticeship standards, enforcement rules for energy codes, building standards, labor standards, and OSHA standards will be subject to promised regulatory review with a stated goal of eliminating more than half of current rules and regulations.

It is expected that most, if not all executive orders, including one supporting PLAs, will be revoked in the early days following the inauguration, as in past GOP administrations.

You can make a difference by staying informed and active. Visit SMACNA’s Advocacy webpage to learn the issues, then call or personally visit your members of Congress to let them know how you stand on these important industry issues.
SMART General President: Looking to future growth

SMART General President Joseph Sellers’ Labor Forum remarks at SMACNA’s 73rd Annual Convention in Phoenix provided an update on the pension fund, the new SMART Heroes program, Helmets to Hardhats, women in the trades, capturing new markets, industrial market opportunities, regional health-care plans, the Code of Excellence, and the Peer-to-Peer Member Assistance Program at SMACNA’s convention in Phoenix.

Hours are moving up, he said, and are continuing to move in the right direction.

Mr. Sellers introduced the new SMART Heroes program, which the union plans to launch next year. It aims to bring transitioning soldiers into the local JATC for modified first-year apprentice training. Job placement assistance will also be part of the program.

One of the biggest initiatives SMART is focusing on is involving more women in the trades, looking at wage parity, hours, and overtime opportunities, along with how to recruit and retain women. “We can do a better job,” he said. “We are trying to figure out the right approach we can take.”

Mr. Sellers indicated that SMART is searching beyond the traditional marketplace to the growing industrial and new markets. “How do we focus on those industrial markets, not only the core we are comfortable with, but those sectors where we can diversify and get those hours,” he said. “How do we look at new industry? We’re focusing on new markets where those job opportunities are. How can we capture them?”

SMART is continuing to look at ways to save members’ money through a regional health-care model and by consolidating retirement plans.

SMART is discussing joining 401(k) plans with larger plans and putting the discounts and lower management fees back into the industry.

Finally, General President Sellers cited the effect that drugs are having on our country and families and how SMART is helping. “It is affecting the country, affecting each one of us.”

SMART’s Members Assistance Program is addressing workers’ issues with depression, drugs, and mental health disorders. It is a network of trained union representatives and volunteers who help workers find the support they need while removing the stigma of seeking assistance.

For more information on the SMART MAP program, see related article “SMART’S MAP program helps workers with mental health, substance abuse problems,” in the August issue of SMACNews.

Hit the mark with SMACNA’s 2017 educational programs

Designed by industry experts, taught by an A-plus faculty, and rich with content, you will learn a lifetime of leadership lessons with SMACNA’s lineup of 2017 world-class educational programs.

Developed exclusively for SMACNA contractors and employees, you will learn the best business, management, and financial practices in the industry. Mark your calendar now.

These in-demand programs often sell out quickly so sign up online today.

Business Management University, Feb. 26-March 2, 2017

Learn the real-world business practices of running a successful sheet metal/HVAC company. With case studies and idea-sharing, this thorough program—one of SMACNA’s longest-running and most popular courses—covers financial management, strategic planning, change order management, contractor survival skills, negotiation, time management, leadership and productivity.

Supervisor Training Academy, March 20-22, 2017

Supervisors, foremen, superintendents, and critical managers will learn the attributes and core values of effective supervisors. They will learn how to motivate workers and discover the keys to effective leadership, communication, time management, and productivity.

Project Managers Institute, April 23-26, 2017

Do you know the essential skills of effective project management? Attend this sell-out program and you’ll learn management/leadership, project planning, financial management, change order management, and standards and best practices. Discover how to build powerful project teams, master financial control, maximize profits, and develop profitable customer relationships.

Financial Boot Camp, May 21-24, 2017

Sharpen your financial skills and study financial management issues, learn how to interpret financial statements, calculate financial ratios, work with credit, develop cash flow projections, understand equipment acquisition, use financial information for strategic planning, and more.

Sign up by the early-bird deadlines and save money. Additional attendees from the same company also receive a discount.

For more information, contact Bridgette Bienacker, SMACNA’s director of business management and membership at bbienacker@smacna.org.
ENR Midwest names Wiegmann top specialty contractor

SMACNA contractor Wiegmann Associates, St. Charles, Mo., was named a 2016 Midwest Top 50 Specialty Contractor by the Engineering News Record magazine’s Midwest edition.

Wiegmann Associates is a mechanical contractor serving the commercial, industrial and institutional markets, and a national leader in design/build HVAC projects.

The annual ENR Top Specialty Contractors list ranks contractors in such fields as mechanical, electrical, concrete, fire protection, masonry, roofing, sheet metal, and excavation.

Learn more about company CEO Gerry Wiegmann’s take on the St. Louis construction market in ENR Midwest’s City Scoop, www.enr.com/midwest.

Mark your calendar for National Issues Conference, May 2-4

What challenges does the construction industry face with a brand new Administration and Congress? And what does it mean for crucial industry concerns like project labor agreements, pension reform, Davis Bacon, and other labor-management issues?

Now, more than ever, the industry needs your voice. Plan to attend the 2017 QCA National Issues Conference, May 2-4, 2017, in Washington, D.C. You’ll learn the status of these vital issues and how you can help communicate SMACNA’s position to the new 115th Congress.

Key legislators and Washington opinion-makers will address the conference and you can engage in one-on-one sessions with your Congressional leaders on Capitol Hill.

Mark your calendar now and plan to attend the National Issues Conference in Washington, D.C., May 2-4, 2017.

In the meantime, you can take action now to support the industry’s issues. Read about the issues, then contact your members of Congress through SMACNA’s Advocacy webpage, www.smacna.org/advocacy/take-action.

Watch for 2017 National Issues Conference registration coming soon on the SMACNA website.

SMACNA members increase share as markets heat up

Continued from page 1

The Oct. 24 article also recapped top specialty contractor executives’ opinions on industry conditions and trends.

Some industry trends include:

- The market is strong. The Top 600 revenue exceeded the $100 billion mark for the first time.
- Large specialty contractors are relying on acquisitions of other firms to boost market share.
- Owners are increasingly interested in one-stop shopping for building services work.
- Mechanical firms are adding electrical divisions to their suite of services.
- Profit margins are improving and getting back to reasonable levels.
- Owner demand for a collaborative work atmosphere has required contractors to adapt to a Building Information Modeling (BIM) environment, forcing software developers to meet their demand.

Council meeting highlights Helmets to Hardhats, new markets

Continued from page 3

Foundation will publish soon. Additional resources designed to help implement the results of the research will be available to chapters as well.

Helmets to Hardhats: Great recruiting tool

Darrell Roberts, executive director of Helmets to Hardhats, engaged the Council in a lively discussion that enlightened many in the room about the recruiting opportunities available through Helmets to Hardhats and how the program works. Helmets to Hardhats connects men and women from the Armed Forces with building and construction careers. SMACNA is a sponsoring organization of the program.

Keep prevailing wage rates up-to-date

Labor attorney Elizabeth Nadeau engaged the Council in a lively discussion on the importance of effectively participating in Davis-Bacon surveys. SMACNA’s Labor Relations Department notifies chapters when surveys are being conducted within their local areas.

Chapter councilors also heard updates from SMACNA National staff and speakers on legislative, labor, market sector, and safety issues.

Julie Muller-Neff, executive director of the SMACNA Western Washington Chapter, was elected as 2017 Council vice chair. Joe Samia, contractor councilor for the Association of Mechanical and Sheet Metal Contractors of Kansas, will be the 2017 Council chair.

For a copy of the Council meeting presentations, visit the “For Chapter Executives” section of SMACNA’s Chapter webpage, then select Council of Chapter Representatives.

Holidays observed

The SMACNA National offices will be closed for Christmas Day (observed), Monday, Dec. 26, and New Year’s Day (observed), Monday, Jan. 2.
The best benefits come to Associate Members who join early

Become a 2017 SMACNA Associate Member now and reap the yearlong benefits that come to those who plan ahead!

What do SMACNA Associate Members gain? Valuable benefits, member discounts, and opportunities to promote their products and services to a carefully targeted audience of top sheet metal and HVAC contractors.

Find out more on SMACNA’s Associate Member webpage and sign up today.

Include SMACNA associate membership in your budget and operational planning for 2017. There’s no better way to reach this select market of construction industry leaders.

Gold and Platinum Associate Members will receive a special discount for signing up early.

There’s no more effective way to reach the exact audience you’re looking for than by joining SMACNA’s Associate Membership program. Benefits include advertising discounts, promotions in monthly newsletters, and networking opportunities.

Many contractors rely on SMACNA’s Associate Members to find out “what’s new” in the sheet metal world. Associate Members have many opportunities throughout the year to reach out to SMACNA contractors. Associate membership also gives vendors and supplier companies the chance to discuss contractors’ specific needs with SMACNA members.

Be part of this special group that profits from connections with SMACNA contractors—and become a 2017 Associate Member today.

To learn more about the enhanced 2017 SMACNA Associate Membership Program, visit SMACNA’s Associate Member webpage and contact Kristina Unger (kunger@smacna.org / (770) 632-0026).

Sign up for 2017 Collective Bargaining Orientation—Feb. 23

Acquire the must-have bargaining skills you need at SMACNA’s 2017 Collective Bargaining Orientation, Feb. 23, 2017, in Dallas.

Packed with essential information for new negotiators and experienced bargainers, this one-day basic legal course will provide you with advice on preparing for bargaining, the legal framework for bargaining, and how to preserve the multiemployer unit at impasse.

You’ll polish your labor relations skills, learn how to develop relationships with your union counterparts, understand collective bargaining, and bring new ideas to the table. You’ll also learn the latest changes in the Standard Form of Union Agreement and employment share numbers.

This workshop is helpful for young contractors, chapter executives, and new negotiators. It also provides a good refresher for experienced bargaining committee members.

Sign up today and complete the online registration form on SMACNA’s Labor Relations webpage. Don’t wait! The registration deadline is Jan. 20, 2017.

New projects from New Horizons: Forecasting the future

Interested in staying ahead of your competition, but don’t have the time or resources required to do the research and analysis of what the future holds? The New Horizons Foundation has completed three insightful, new projects that are free to the SMACNA membership and will help you face the future with confidence.

Members are entitled to a complimentary copy of these latest reports. Log in as a SMACNA member at www.smacna.org/newhorizonsfoundation.

The HVAC and Sheet Metal Industry Futures Study Update 2016

The 2016 Foundation Futures Study Update compares the predictions from the 2012 study to today’s marketplace. It presents new and emerging trends you need to guide your company into the future.

The eye-opening report validates the findings from the 2012 Update and describes how the next 5 to 10 years will likely unfold. This research is based on multiple in-depth interviews with sheet metal contractors, HVAC equipment manufacturers, and other industry participants; an interactive workshop with SMACNA chapter leaders; and a quantitative survey that received more than 300 responses from building owners, facility managers, mechanical contractors, and HVAC contractors. SMACNA will revisit its Strategic Plan in 2017 and use this tool to help guide the process.


This paper focuses on off-site construction from the perspective of prefabrication and installation of preassembled building components within "traditional" site-built construction project delivery methods or systems. It validates the savings previously identified in earlier reports and adds definition and dimension to the advantages associated with prefabrication and modularization in the MEP and HVAC and sheet metal industries. It presents a series of industry informed recommendations for contractors using or contemplating using prefabricated/modularized systems.

New Market Risk Assessment (coming soon)

The soon-to-be-released New Market Risk Assessment is the Foundation’s largest project. It includes powerful information for SMACNA contractors related to the risks they take when entering a new market. This must-read document introduces a 10-step customized market-entry, decision-framework tailored specifically to SMACNA members. (Currently only 7 percent of SMACNA members have such a process like this in place.) This innovative process can help increase the likelihood of success when entering a new market.
Thank You 2016 Associate Members!

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DECEMBER 2016  www.smacna.org
January 2017
- Chapter Executive Institute – Jan. 29-Feb. 1, Maui, Hawaii

February 2017
- Collective Bargaining Orientation – Feb. 23, Dallas

March 2017
- Association Leadership Meeting -- March 30-31, Las Colinas, Texas
- Supervisor Training Academy – March 20-22, St. Louis

April 2017
- Project Managers Institute – April 23-26, Raleigh, N.C.

May 2017
- QCA National Issues Conference – May 2-4, Washington, D.C.
- Safety Surveys Due (US and Canada) – May 5

June 2017
- Council of Chapter Representatives – June 4-6, Coeur d’Alene, Idaho
- NJAB – June 12-13, Pittsburgh

Future SMACNA Conventions
- 76th Annual Convention – Oct. 20-23, 2019, JW Marriott, Austin