National Issues Conference

Contractors team up to engage Congress on tough issues

SMACNA contractors made a difference for the industry at the recent CEA National Issues Conference in Washington, D.C. More than 194 specialty contractors joined forces with four construction associations at the Georgetown Marriott and law offices of Hogan Lovells, where they learned about the current political climate on pension reform, health care, and regulatory issues.

More than 70 SMACNA members and association executives attended and then engaged with their lawmakers in more than 150 visits on Capitol Hill.

Canadian firms recognized for safety excellence

Once again SMACNA is proud to recognize our Canadian member companies for their outstanding safety and health performance.

Each year, SMACNA recognizes U.S. members for advancing occupational safety and health through SMACNA's Safety Excellence Award Program (SSEAP). SMACNA began SMACNA's Safety Excellence Award Program–Canada (SSEAP–C) last year.

Congratulations to Dilfo Mechanical Ltd., the overall winner of the 2017 SSEAP–C award for their exceptional efforts in safety and health. Canadian firms Vets Sheet Metal and Giffin Sheet Metals Ltd., will receive honorable mention awards in the “greater than 100,000 man-hour” category and the “less than 100,000 man-hour” category.

Meets with...

Sen. Tom Carper of Delaware

Members of the Sheet Metal Contractors Association of Philadelphia and Vicinity chapter discussed issues facing the construction industry with Sen. Tom Carper (D-Del.) (first row, far right) on Capitol Hill during the National Issues Conference in May. They were joined by members of the finishing contractors, glazing contractors, and painting and decorating contractors associations.
A good partnership is worth its weight in gold

Labor-management partnerships can be powerful tools. When they work, nothing is better. We can soar to new heights seeking work that is challenging and mutually rewarding.

Truth be told, not every labor-management partnership soars. Admittedly, our national organizations can do only so much to improve or repair local working relationships. The real work must be done at home where trust is built.

Sometimes you need a fresh perspective and new ideas. That’s why I’m inviting my fellow contractors and chapter executives to attend the 2018 Partners in Progress Conference next February in Orlando, Fla.

So, what happens when the labor/management partnership is weak?

• Both sides assume the worst about each other.
• Conversations are rarely productive.
• Grievances are filed over things that should have been easy to resolve.
• Training programs get stale and lag industry needs.
• Market recovery efforts lack mutual commitment.
• Actual industry issues such as prevailing wage and labor shortages get little joint attention.

The bottom line: Not having a strong labor/management partnership means lost opportunities for your business, your workforce, and the industry.

I am fortunate to be from an area with a long history of good communication and a solid partnership. Luckily, I haven’t known it any other way. What does that mean to my company?

First, employee education is a given. Thanks to SMACNA we have conducted joint sessions for foremen and project managers. Also, we have a Contractors School where for two days, contractors talk frankly with all local apprentices and share life skills, time management, business basics, personal finance, and even how to craft their own personal elevator speech.

So, mark your calendar for Feb. 13-14, 2018, when we’ll bring the best ideas and market opportunities to Orlando, Fla., to help take your labor/management partnership to a superior level. (Registration opens Sept. 5, 2017.)

I hope to see you and your labor partner there.

Sincerely,

Joseph Lansdell
SMACNA President
Canadian firms recognized for safety excellence

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Like the U.S. Safety Excellence Award Program, the Canadian SSEAP-C program will track and trend annual data to identify proven practices in safety and health in Canada once enough information is available. Canadian firms may also be interested in the U.S. data trends as well. These trends are available in the “SMACNA Safety Profile” on SMACNA’s safety webpage.

In addition, Canadian firms who submitted surveys showing zero medical cases (those requiring no medical practitioner care) will receive a “SMACNA zero injury award.” The winners of the honorable mention and zero injury awards will receive their trophies in the mail.

Dilfo Mechanical Ltd. will receive recognition and their award during the annual business meeting on Oct. 25 at SMACNA’s 74rd Annual Convention in Maui.

The criteria for recognizing Canadian companies for safety awards differs from the U.S. program because Canadian safety regulatory efforts are completed separately by provinces. In the U.S., federal OSHA defines the regulatory reporting categories for the entire country.

SMACNA would like to thank all the Canadian companies who submitted surveys and congratulates them for their successful safety and health programs.

Watch for SMACNA’s U.S. safety award program winners in the July issue of SMACNews.

For more information on SMACNA’s safety award programs, contact Mike McCullion, SMACNA’s director of market sectors and safety (mmccullion@smacna.org / (703) 995-4027).

“Round Industrial Duct Construction Standards,” 3rd edition, now available

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$356 for the PDF, and $588 for the book/PDF combo.

The discounted price is available only to architectural and engineering firms and their employees provided they are not in the contracting business as well. (Government agencies, schools and universities also qualify for the discount.)

Capitol Hill Update

NIOSH budget cuts unwarranted

In letters to the U.S. House and U.S. Senate, SMACNA enthusiastically supported maintaining the National Institute for Occupational Safety and Health (NIOSH) FY18 budget at $339 million.

President Donald Trump requested a FY18 budget for NIOSH at $200 million—a significant cut that would result in NIOSH being generally unable to carry out its federal mandate under the Occupational Safety and Health Act (OSHA) to conduct research aimed at preventing fatalities, injuries, and disease in the workplace.

SMACNA believes an increase in NIOSH’s FY18 budget is warranted based on its performance and value, however the Association recommended that the NIOSH FY18 budget be funded at the FY16 level of $339 million.

NIOSH is the only federal government agency charged with researching safety and health hazards across all U.S. industries.

Change order legislation watches out for small businesses

SMACNA supports “The Small Business Payment for Performance Act,” H.R. 2594, introduced by Rep. Brian Fitzpatrick (R-8th-Pa.). According to Rep. Fitzpatrick, federal contracts can lead to good jobs for small businesses, but can also result in many headaches.

While businesses regularly deal with change orders in the private sector, contractors and subcontractors on federal construction projects are often forced to bear a financial burden by the slow process of approval. Some federal agencies routinely delay the approval process until the end of the project.

This legislation stands up for small businesses by requiring federal agencies to make interim partial payments to contractors, allowing them to pay their own bills without being delayed until the end of the project. The U.S. House Small Business Committee recently held a hearing on this issue so be sure to make your voice heard.

Tired of being asked by SMAC PAC to complete a Prior Approval form?

Take action by asking your U.S. House of Representatives member to co-sponsor H.R. 2101, the Prior Approval Reform Act.

Trade associations are discriminated against because their political action committees are the only political committees that must first obtain exclusive permission from member companies before soliciting eligible individuals for support.

No other class of PAC, including corporate, labor union, and individual membership association, is subject to the prior approval requirement.

Visit SMACNA’s Advocacy webpage for more information and to take action on this issue and to support other legislation affecting the industry at www.smacna.org/advocacy/take-action.
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On the first day, contractors discussed such regulatory issues as pension reform and the impact of health-care changes. (See related article “Pension experts” on page 2.)

Pension reform—more than one solution

“This is about stabilizing the system going forward,” noted Cary Franklin, managing consultant and actuary, Horizon Actuarial Services, of pension reform.

Congress did not deal with the multiemployer plans issue during the last Congress and it is imperative SMACNA contractors keep the issue in play and that is why it was on the conference agenda again this year.

If we can’t get affected industries working together, noted Joshua Shapiro, senior actuarial advisor, Groom Law Group, “at one point Congress is going to put a number out there and that’s that.”

Variable annuity plans: A good alternative

“There are alternatives under current law that can accomplish a lot of the same things as composite plans—variable annuity plans,” Mr. Shapiro explained. “The idea is simply that benefit levels in the past and future are tied to the performance of your plan’s assets. You can adjust benefits based on what the level of return can provide and, each year, if interest is different, you can adjust the benefits up or down, depending. The variable annuity model should be on the forefront of people’s minds as we go forward in the future.”

“The more plans that can heal themselves with MPRA (Multiemployer Pension Reform Act of 2014), that reduces the PBGC’s (Pension Benefit Guaranty Corporation) shortfall,” Mr. Shapiro added. “One of the key things is start early. It’s a long process. The sooner you can take action the less action you have to take.”

On the second day, contractors discussed such public policy issues as infrastructure and health care with members of Congress, pension experts, and heard from union general presidents.

Members of Congress shared their views

“There are 173,000 people in West Virginia that never had health care. They’re getting health care for the first time,” said Sen. Joe Manchin (D-W.Va.), of the Obama Administration’s Affordable Care Act. “They don’t care how they got it. They don’t know how they got it. But I guarantee they’ll know who took it away from them.”

Regarding infrastructure, a minimum of one trillion dollars is needed, Sen. Manchin added. “We need bridges, roads, waterways—everything needs to be repaired.”

The conference Hill visits included discussions about the importance of enactment of an infrastructure package increasing investment in all aspects of the nation’s infrastructure.

Rep. Brian Fitzpatrick (R-8th-Pa.) noted how his experience as a FBI agent fighting political corruption has given him a unique perspective in Congress. “In the FBI, what I saw was that there was a direct link between the number of years in office and corruption,” he said. “The system is broken.”

In addition, politicians should spend time getting to know each other, he said, of the animosity in Congress. “President Reagan and House Speaker Tip O’Neill disagreed on the Hill, but had a drink after and were friends. We used to respect each other as people. It’s shocking that it doesn’t exist anymore.”

Rep. Fitzpatrick expressed his support for CEA positions on infrastructure, prevailing wage, and project labor agreements.

Sen. Pat Roberts (R-Kansas) sounded a note of pragmatism on disagreements among politicians on the Hill. “These are not the worst of times,” he said, recounting his experiences when buildings in Washington burned and tear gas filled the streets in the 1960s. “It was a very troubled time.”

Sen. Joe Manchin (D-W.Va.)

Sen. Pat Roberts (R-Kansas) greets contractors.
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“We’ve had tough times before,” he said. “You do have a Congress that wants to get something done. That means jobs. That means growth. That is what they are all about. We have to figure out how to do it in broad strokes and do things in terms of economic growth for the country.”

“We’re going to continue in this period of the country being divided for the next couple of years, until the midterm elections,” said Rep. Chris Collins (R-27th-N.Y.). “We are going to get no bipartisan help, with zero Democratic votes on pension, on health care, so we are going to have to do it ourselves.”

SMART union is at the table

SMART General President Joseph Sellers Jr. said that the union has been very active in talking about union construction, as well as health care, pension reform, and infrastructure projects, with the new Congress. “We have been going out there and sharing that message. We are making sure they know the concerns of our industry and the concerns of those working on the jobsite every day.”

“We want to roll up our sleeves and be part of the ongoing process,” he added. “If we are not at the table then our voices will not be heard. How can we put union members back to work?”

The conference was sponsored by the Construction Employers of America (CEA). Save the date for next year’s conference, taking place May 8 to May 10, 2018. You can also make a difference in Washington, D.C. Take action on the latest legislation affecting the industry on SMACNA’s Advocacy webpage, www.smacna.org/advocacy/take-action.

Pension experts: Keep pushing for meaningful pension reform

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taxes, legacy costs, and withdrawal liability. Traditionally, employers bore most of the risk with their labor counterparts also bearing some of the burden because required increases can in part at least be allocated out of wages, he said.

However, the instability of unpredictable investment returns can increase multiemployer retirement plans’ risk and may imperil the whole system, he noted. We must be prepared to deal with near-term downturns in the market, he said.

Congress needs to give labor and management the tools to do that, agreed Josh Shapiro, by finishing what was started with MPRA, the Multiemployer Pension Reform Act of 2014. Plans need to be able to “bank the gains” of a good market and not give all of it to benefit increases, he noted.

Proposed health-care bill could alter essential benefits

Carolyn Smith of the law offices of Alston and Bird, and Aruna Vohra, senior counsel and actuarial advisor with Horizon Actuarial Services, spoke about the proposed health-care legislation, the American Health Care Act of 2017 (AHA), then pending before the U.S. House of Representatives.

The legislation was passed by the House and the proposed bill is now with the Senate. Ms. Vohra noted that to bring the House Freedom Caucus on board with the AHA, which was needed to get sufficient votes in the House, the AHA had to be modified in some significant ways.

Changes to the bill included altering provisions on the 10 essential health benefits, which are currently mandated by the Affordable Care Act (ACA). The AHA would give states the flexibility to vary or waive the required essential health benefits.

Ms. Vohra said critics of the AHA have created a ruckus over the bill, which allows states to permit insurers to exclude pre-existing conditions. The AHA allows insurers to deny coverage for pre-existing conditions if an individual has a lapse in coverage of greater than 60 days. Insurers could also charge more for people with pre-existing conditions, possibly so much that coverage is going to unaffordable for people, critics claim.

The AHA is expected to undergo significant changes in the Senate. Ms. Smith believes that what is missing in the current version of the AHA, as well as with the current ACA, are measures to bring the cost of care down. There is a real need to control the cost of prescription drugs and medical care, she said. Until that is addressed, affordable health insurance will remain difficult to achieve, she noted.
### Residential Contractors Forum

**Build your game plan for double-digit profits**

At this year’s Residential Contractors Forum, “Profit Strategies for a Successful Future,” during SMACNA’s Annual Convention, Oct. 22-25, in Maui, Hawaii, you will discover the best ways to mix your revenue opportunities to create the best business recipe and how to enhance the four legs of marketing.

You’ll leave this session understanding the best ways to “mix” your revenue opportunities for the best profit formula. **Dr. Kerry Webb**, president of Peak Leadership and business coach for Service Excellence Training, has helped companies grow their annual revenues by 20 percent and more. In fact, he helped several multimillion-dollar firms grow 50 percent to 80 percent last year alone. He is ready to share his experience and expertise in growing revenues with you. The home services industry has become his favorite industry—he is energized by contractors’ enthusiasm for learning.

In addition to being a business coach, Dr. Webb is a full-time faculty member, serving as an MBA professor. He has also coached several award-winning “National Contractor of the Year” companies and works with contracting firms that bring in $600,000 to $17 million in annual revenues. Be sure to attend this forum if you want to build your company’s profits.

**Get your early bird convention discount and register by July 15.**

SMACNA’s 74th Annual Convention takes place at the Grand Wailea and Wailea Beach Resort-Marriott, Maui, Oct. 22-25, in tropical Hawaii. Register today on SMACNA’s Annual Convention webpage.

### Spouse breakfast

**Get ready to renew your energy and joy**

Are you living a fulfilled life sparked with joy and well-being? Join **Emily Boll**, former educator and motivational speaker, at the spouse breakfast, “Living a Fulfilled Life Sparked with Joy and Well-being,” during SMACNA’s Annual Convention, Oct. 22-25, in Maui. She will share her Real Wellness philosophy for a memorable morning filled with engagement and laughter.

She will help you connect with your natural self to renew your energy and joy. Having recovered from an extensive autoimmune disorder, she will show you firsthand how embracing a wellness lifestyle is more than physical fitness alone.

You’ll take away a deeper understanding of wellness and the comforting knowledge that it comes from a deep connection with what is inside you. Emily will explain how you can awaken this inner joy and peace of mind within yourself.

Her presentation will segue into a fun, 45-minute “Morning Aloha Stretch” filled with gentle movement, stretches, and restorative postures for better sleep and stress relief. Learn how to use specific poses to restore and refresh both the mind and body.

All abilities are welcome to join in these gentle exercises on the tropical lawn of the Grand Wailea seaside chapel on Tuesday morning, Oct. 24. A light, healthy breakfast will be served.

This is just one of many engaging sessions during SMACNA’s Annual Convention. **Sign up today—early bird discount ends July 15.**

SMACNA’s 74th Annual Convention takes place at the Grand Wailea and Wailea Beach Resort-Marriott, Maui, Oct. 22-25, in Maui, Hawaii. Register today on SMACNA’s Annual Convention webpage.

### Master digital and social media marketing

How do you keep up with the digital world when it is always changing?

Award-winning website designer **Mitch Seifert** will share his most effective ways to market your business in this fluid environment in “Marketing with Digital and Social Media,” during SMACNA’s Annual Convention, Oct. 22-25, in Maui.

He’ll show you how to critique and improve your website, ways to effectively use website content, the importance of understanding website analytics, and everything you need to know about improving your corporate visibility online.

You will learn how to use web copy more effectively, including images and video. Attendees will take away the very best practices for search engine and mobile optimization in the sheet metal industry. In addition, Mitch will present ideas and concepts on how to attract potential customers online using social media and effective campaigns.

Mitch Seifert, director of web services with Nehlsen Communications, has more than 10 years of experience in web design and development. He specializes in creating front-end website structure, navigation, layout, and design. He has worked with such companies as John Deere, SMACNA Greater Chicago, and IMAX.

**Don’t miss your early bird convention discount. Register by July 15.**

SMACNA’s 74th Annual Convention takes place at the Grand Wailea and Wailea Beach Resort-Marriott, Maui, Oct. 22-25, in beautiful Hawaii. Register today on SMACNA’s Annual Convention webpage.

### Holiday observed

The SMACNA National offices will be closed on Tuesday, July 4, in honor of Independence Day.
**Welcome 2017 Associate Members!**

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SMACNA reminders

July 2017
■ Convention early-bird registration discount ends – July 15

September 2017
■ NJAB – Sept. 11-12, St. Louis
■ Project Managers Institute – Sept. 24-27, Seattle

October 2017

December 2017

January 2018
■ Chapter Executive Institute – Jan. 28-30, San Diego

February 2018
■ Partners in Progress Conference – Feb. 13-14, Orlando, Fla.
■ Business Management University – Feb. 25-March 1, Tempe, Ariz.

March 2018
■ Association Leadership Meeting – March 15-16, Irving, Texas
■ Supervisory Training Academy – March 19-21, St. Louis

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