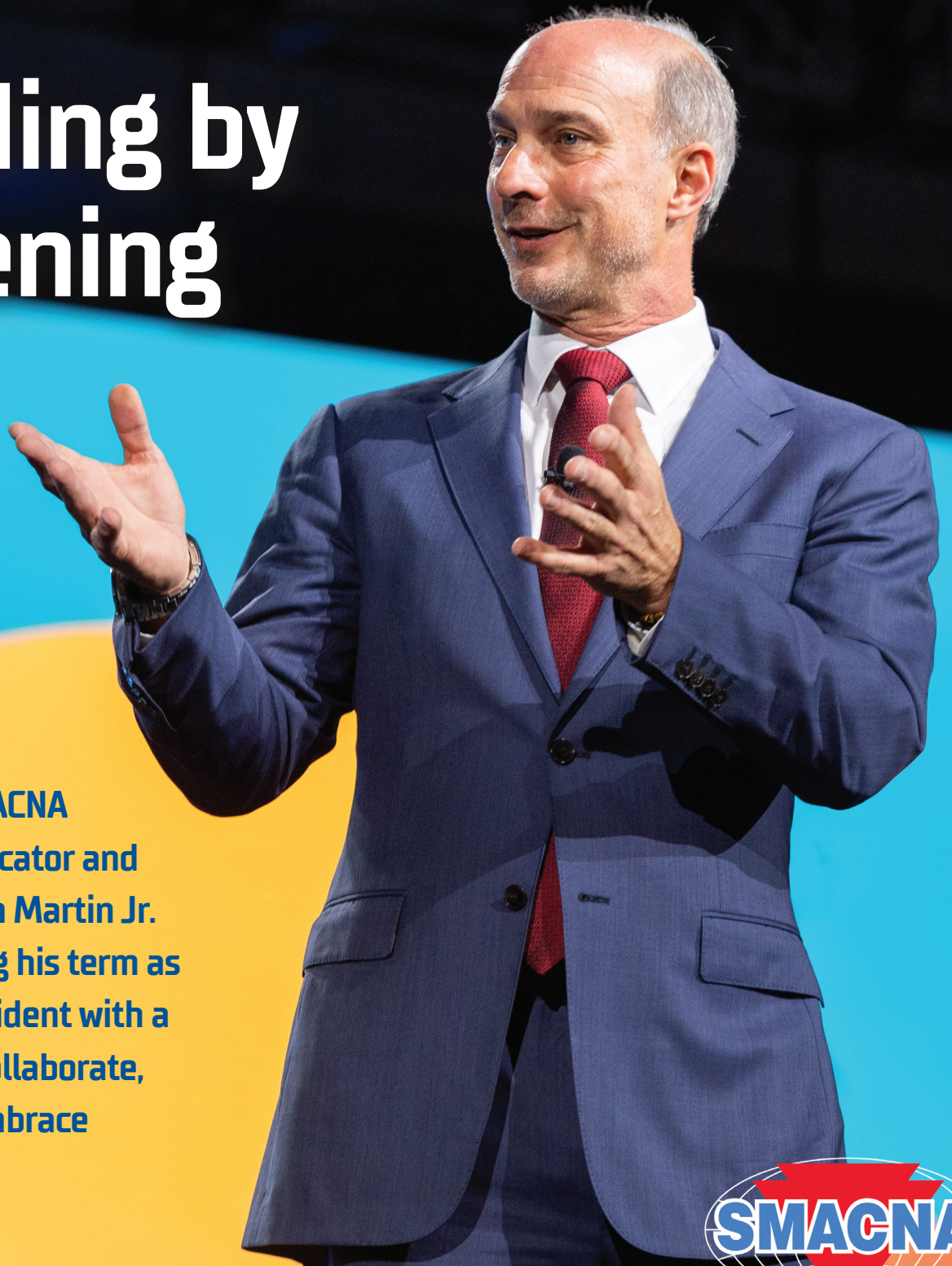


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SMAC[®] NEWS

Leading by Listening

Longtime SMACNA advocate, educator and innovator Tom Martin Jr. is approaching his term as SMACNA President with a platform to collaborate, evolve and embrace opportunity.



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CEO UPDATE Aaron Hilger



Navigating Uncertainty: A Call for Caution and Collaboration Amid Political and Economic Shifts

"May you live in interesting times." It is an old quote, often expressed as an ancient curse from China.

Its origin is less clear. Perhaps a group of British Diplomats in China and later politicians in England started it. Kennedy used it in a speech in 1966 at the University of Cape Town in South Africa titled the "Day of Affirmation Address." He was talking about unrest and the ongoing civil rights movement — a positive message. He was also focused on the importance of youth involvement in society and politics and the danger and unrest that come from attempts to change.

To me, the phrase has always been about opportunity and risk. We are indeed

experiencing something "interesting" with our political leadership. This affects all SMACNA members, regardless of country. It also affects our partners at SMART, and at the national level, we are dedicated to working together to mitigate the challenges. We are all in this together.

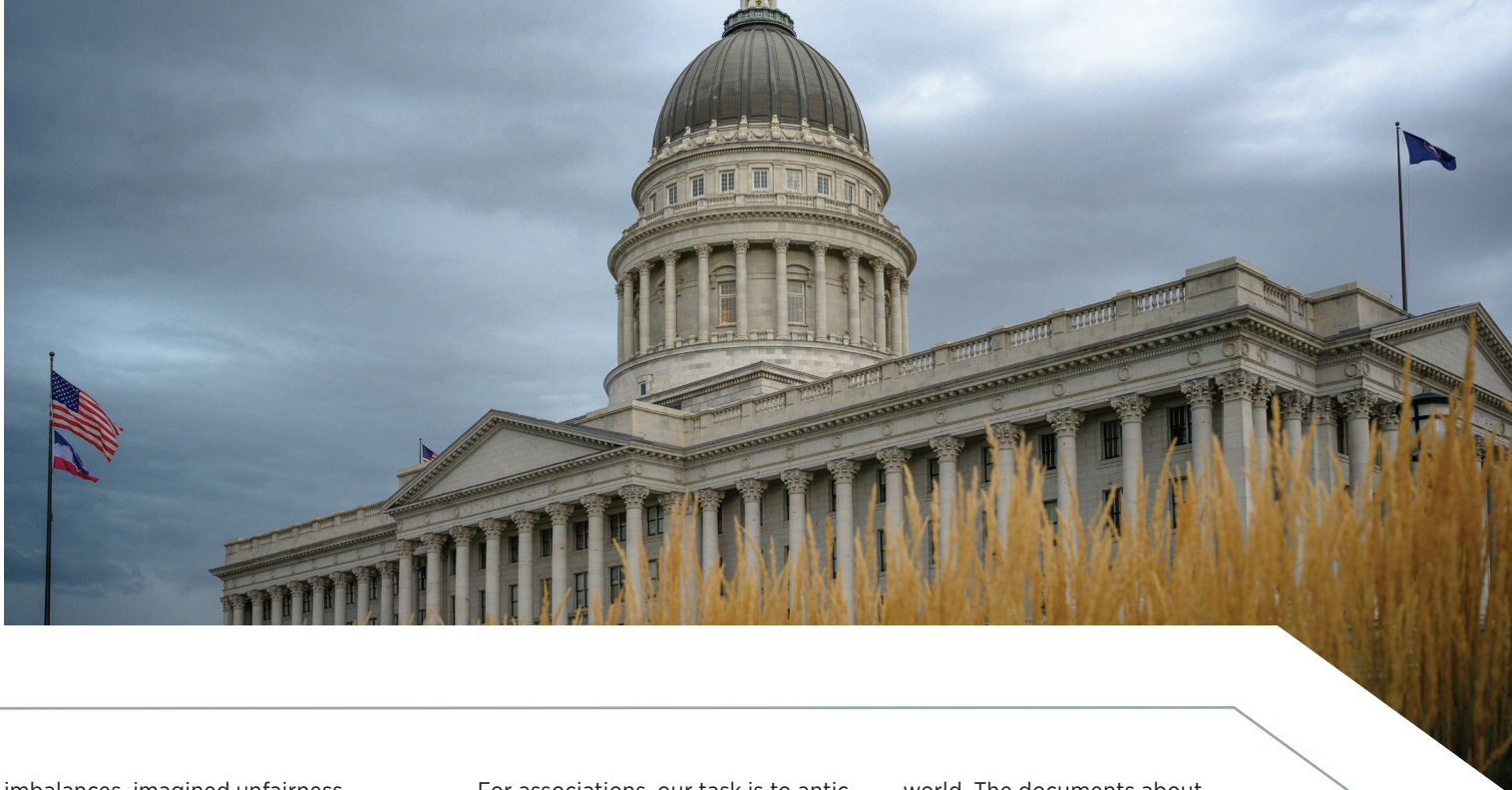
Lately, I see a lot more risk than opportunity. As the son and grandson of a small businessman, I strongly believe in limited government and the importance of individual effort for success. That translates to being broadly sympathetic to the efforts to shrink the size of government and limit the excess spending that inevitably comes from the "worst system of government, except for all the rest" (thank you, Winston, for your

wisdom). It does not lead to supporting an effort that is made up of kids wildly swinging machetes around to cut agencies and staff. The lack of thoughtfulness is astounding. Government has critical roles in many areas, and care must be taken to avoid chopping off essential limbs.

The entire tariff discussion focuses my attention on the risks for our members and the world economy. Targeted tariffs that address specific problems are a valuable tool in international relations. They can help create level playing fields for industries, induce fair competition and serve wider geopolitical ends. Broad tariffs, such that we may be subject to in an attempt to solve imagined problems created by trade

Safety First: SMACNA Sponsorship Opportunity & Safety Awards

SMACNA's Safety Sponsorship will send one member to the 2025 NSC Safety Congress & Expo in Denver, Colorado, on Sept. 15-17, covering up to \$5,000 in travel expenses. Applications are due May 31, and the winner will be announced July 15. Learn more and apply here: tinyurl.com/SafetySponsorship. Also, you can complete the 2025 SMACNA Safety Survey and apply for the 2025 Safety Awards here: tinyurl.com/SafetyAwards Program. Deadline is June 1.



imbalances, imagined unfairness or internal budget problems, are simply silly. The Trump administration is doing everything it can to destroy the economy, kill jobs and force a realignment of world trade. Unfortunately, we are the front-line casualties of that effort.

A realignment in global trade has been coming since the USSR fell. It was only a matter of time before isolationist elements in the Republican and Democratic parties would start pushing to end the post-World War II security guarantee the United States provided to global commerce. The clock on that spending began when the big enemy was vanquished. The post-WWII system relied on secure shipping.

The world economy is built on the notion that we can move goods freely globally. America sacrificed some of the success that it could have had to raise the tide for the world. It worked amazingly well, ushering in the greatest prosperity that humanity has experienced. Many books have been written on this topic, and more will be published.

I am old enough to have lived through the fall of the Berlin Wall and the “velvet” revolutions in Eastern Europe — and to feel how meaningful those changes were. At the time, I did not predict the end of this global commerce as we know it. Gen X may be one of the generations that live at the beginning and the end of a world order.

For associations, our task is to anticipate the political winds, react affirmatively to the unexpected and chart the best outcome for our members. SMACNA's legal and government relations teams have worked tirelessly to guide members. We have spent countless hours with members of Congress and the administration — and will continue to do so. For the last few weeks, I have sent chapters a tariff update to inform them what we have learned. The theme of those updates could be something like “the truth right now, subject to immediate change at any time!” I am writing this article on March 27. The story will change at least five times before April 2, when many tariffs are supposed to take effect. It will change again and again after that.

The real-world impacts of the words coming out of the Trump administration will hurt. Metal prices have risen, and so have the costs of equipment. Vehicles are already more expensive in anticipation of tariffs. Projects are being canceled or pushed back. Members report layoffs due to the uncertainty and owner pullbacks. We are still having a good year, but that could change if this continues. We will do everything that we can to limit the effects. It is also important to remember that nothing is permanent, and damage done today can be repaired in the future.

Please share your stories as we continue to navigate this very uncertain

world. The documents about price increases, project issues and schedule changes have helped SMACNA explain to officials how tariffs and continuous changes impact our members & workers. When a significant change happens, the individual story often makes a difference.

You can also support our work by becoming a PAC supporter.

If you have not already done so, please go to SMACNA's website and sign a prior authorization form. That will allow us to communicate more about politics and give you opportunities to engage with the Administration and Members of Congress.

SMACNA has a very active schedule of events. Our next Fab Forum at McCusker-Gill is sold out in early April. Education programs like Business Management University and Project Managers Institute continue to sell out. The tech department is hosting many technical university programs. For something to look forward to, Convention Registration opens on April 24 at noon. Register early; we will sell out in Maui. I'm looking forward to a great line-up of education sessions and keynote speakers. See you there, if not before! ▼

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.



Working in the Red Zone

A Michigan contractor scored when the company made and installed a hotel's architectural panels just in time for the 2024 NFL draft.

SMACNA contractor Liberty Sheet Metal made and installed architectural panels for a Detroit hotel hosting the 2024 NFL draft.

Running out the clock wasn't an option when SMACNA member Liberty Sheet Metal won a bid to put new architectural panels on a Detroit hotel.

The downtown Courtyard Marriott would be packed with guests in town for the 2024 NFL draft. Liberty workers would have just weeks — without timeouts or delays — to fabricate and install panels for the hotel's front entrance. The new facade was part of a \$9.5 million renovation of the 260-room property.

The draft was one of the biggest events to hit the Motor City in recent memory. It wasn't just an announcement of players and teams for the upcoming season. It was a multi-day celebration of America's favorite sport, with interactive exhibits, free concerts and the chance to get player autographs and see the famous Vince Lombardi Trophy. Hundreds of thousands of fans

from across the country were expected to attend the 2024 draft.

Higley Construction, the project's Ohio-based general contractor, awarded Liberty the \$250,000 contract in December 2023. The draft was taking place April 25-27, 2024. But because the hotel entrance had to be rebuilt before the panels could be installed, Liberty couldn't start putting them in place until March. That gave the company only a few weeks to complete its work.

A 100% ARCHITECTURAL COMPANY

Based in a rural part of southeastern Michigan, Liberty Sheet Metal is a 100% architectural contractor that's been in business more than 25 years. It specializes in aluminum composite panels; metal walls, siding and roofing; and custom architectural designs. Its project list includes a nearby high school, apartment complexes,



the University of Michigan and a major Mercedes-Benz research facility.

Justin Becker, Liberty's Director of Estimating and Project Management, says the short time frame, plus the high profile of the NFL draft, made it different.

"This was an interesting project," Becker says. "We were selected because of our knowledge and our experience. We definitely had a budget that we had to maintain, but they were most concerned about scheduling and timing and the unique materials on the facade."

The hotel's new entrance features about 2,000 square feet of panels from manufacturers such as Longboard, Reynobond and Knight Wall. They're made from 0.125-inch aluminum and 4 mm composite aluminum, finished in colors such as black and Light National Walnut. The entrance has warm tones of wood that contrast with silver metal highlights.

Fabrication work took place at Liberty's 40,000-square-foot sheet metal shop, located about an hour from Detroit. Becker says they ran into an issue securing the mineral wool used to insulate the metal panels.

SUPPLY SHORTAGES

"Back in January of 2024, there was a huge mineral wool shortage," Becker recalls. "It was really hard to get. I was making calls left and right to get the mineral wool. We had to 'steal' it from other jobs and make deals with other people to get enough for this job."

Trucks brought panels from the shop twice a week. Liberty's Project Foreman Frank Vallejo supervised the work.

With all trades working in a tight area with the NFL draft deadline looming, Becker expected the project work to get hectic.

"I've never had so many meetings and so much coordination for what I would consider a relatively small job," he says. "But because of that, we navigated and mitigated any disasters. Everything had to be thought through. So we would sit in meetings to figure out 'How do we navigate around this issue?' And I was like, 'Well, we can do this, this and that with what we've got.' And then, boom. 'OK, let's do that.'"

Becker says Liberty employees never forgot that they were working on a high-profile job that would make an impression on people from across the country.

"That was kind of in the back of our minds the whole time," he says.

Liberty finished its work in early April, a few weeks before the draft. Becker went to the event as a fan and to check out his company's work.

"I walked right past the hotel. It was open and people were just walking through," he says. "I was like, 'Man, if you were here two months ago. You should have seen the chaos that was going on.'"

Becker says Higley was happy with Liberty's work on the hotel. And Aaron Paczkowski, the Higley executive on the project, was good to work with, he adds.

"We had developed a great relationship with the general contractor," Becker says. "So we're getting more work with them, I think, because of our performance on this project." ▼

At Liberty Sheet Metal's shop, ACM Fabricator Cheyn Dixon assembles a panel like those used in the Courtyard Detroit Marriott project.



Understanding Refrigerant Transitions

What HVAC contractors need to know about these important changes.

The HVAC industry is standing at the edge of a major shift — one that will change the way contractors handle refrigerants, service equipment and train technicians. The transition to low-global-warming-potential (GWP) refrigerants isn't just a suggestion; it's a reality driven by regulatory mandates.

"The industry has known this was coming for years, but now it's here," says Paul Dombrosky, Refrigerant Manager for Service Operations at CHVAC North America. "Contractors who prepare now will be ahead of the

curve. Those who don't will be scrambling when these refrigerants become the standard."

Here's what HVAC contractors need to know and how they can get ahead of the coming refrigerant shift.

WHY THE TRANSITION IS HAPPENING

At the heart of the change is the American Innovation and Manufacturing (AIM) Act, which mandates a phasedown of hydrofluorocarbons (HFCs) in favor of lower-GWP refrigerants. This legislation aligns with the global Montreal Protocol Kigali Amendment, which sets

YOUR EXISTING MANIFOLDS AND SCALES WILL STILL WORK, BUT SOME DIGITAL MANIFOLDS MAY NEED FIRMWARE UPDATES. AND LEAK DETECTION BECOMES EVEN MORE CRITICAL WITH A2LS." — PAUL DOMBROSKY

aggressive reduction targets for HFC production and consumption.

"The AIM Act isn't a future problem; it's happening now," Dombrosky says. "As of Jan. 1, common refrigerants like R-410A, R-404A and R-134a are no longer permitted in new equipment."

That means contractors need to adapt to A2L refrigerants, which are mildly flammable but significantly better for the environment.

HOW THIS AFFECTS HVAC CONTRACTORS

Contractors must prepare for changes in:

- **New equipment installations:** In 2025, most new air-conditioning and refrigeration systems must use low-GWP refrigerants.
- **Servicing existing systems:** While current HFC-based systems can still be repaired, reclaimed refrigerants will be required for servicing by 2028.
- **Component compatibility:** New refrigerants mean new components, tools and safety measures. "If you're still using legacy refrigerants, your costs are going to skyrocket," Dombrosky warns. "Refrigerant supply will be tighter, and prices will continue to rise. Contractors need to have a long-term game plan."

HOW TO PREPARE FOR THE REFRIGERANT TRANSITION

After understanding the background on why the change is happening and the related business impacts, the next step is taking action. HVAC contractors can follow these guidelines from Dombrosky to ensure a smooth transition.

1. **Train Your Technicians on A2L Refrigerants.** One of the biggest changes with the new refrigerants is their mild flammability, which requires updated safety protocols.

"Technicians can't treat A2Ls the same way they did R-410A," Dombrosky says. "They need to understand proper handling, leak detection, ventilation and evacuation procedures."

HVAC businesses should invest in A2L certification courses to ensure their teams are trained before these refrigerants become widespread.

2. **Upgrade Tools and Equipment.** Contractors will need A2L-compatible tools, including:
 - Refrigerant recovery machines specifically designed for A2Ls

- Manifolds and gauges that can handle the new pressure and flammability concerns
- Leak detectors calibrated for A2L refrigerants

"Your existing manifolds and scales will still work, but some digital manifolds may need firmware updates," Dombrosky notes. "And leak detection becomes even more critical with A2Ls."

3. Plan for Rising Refrigerant Costs and Supply

Constraints. With the phase down of HFC production, contractors should expect supply shortages. Some states, like California, New York and Washington, may even restrict refilling with virgin refrigerants altogether.

"This isn't just about new installations; it's about how you're going to service existing customers," Dombrosky says. "If you don't have a plan for refrigerant recovery and reuse, you're going to be at a disadvantage."

He recommends that contractors:

- Stock up on reclaimed refrigerants to prepare for rising costs.
- Educate customers about retrofit options for existing systems.
- Adopt leak prevention practices to extend system life and reduce refrigerant waste.

4. Understand the New Compliance Deadlines.

Key transition dates for these refrigerant changes include:

- **Jan. 1, 2025** — R-410A, R-404A, and R-134a banned in new equipment.
- **Jan. 1, 2026** — VRF (Variable Refrigerant Flow) systems must switch to low-GWP refrigerants.
- **Jan. 1, 2028** — Reclaimed refrigerants required for servicing existing systems.

"Regulations will only get stricter," Dombrosky says. "The sooner contractors align with these changes, the smoother the transition will be."

DON'T WAIT UNTIL IT'S TOO LATE

While the refrigerant transition presents challenges, it also creates opportunities for contractors to lead the industry forward. Those who invest in training, upgrade their tools and educate their customers will have a competitive edge over those who wait until the last minute.

"This is one of the biggest shifts the HVAC industry has seen in decades," Dombrosky says. "But if contractors get ahead of it, they won't just survive, they'll thrive." ▼



Aiming High

Matherly Mechanical's ventilation project at an Oklahoma City Air Force base was critical to ensuring that work servicing military aircraft continued uninterrupted.

Left: Matherly Mechanical employees install painted ductwork on the roof of a hangar at Tinker Air Force Base in Oklahoma City. The \$3-million contract had Matherly replacing four 100,000-cfm blowers; fabricating and installing large, round, industrial exhaust ductwork; and installing a new filter bank.

Right: The industrial exhaust ductwork at Tinker Air Force Base was made of 12-gauge metal.

Twice a day, Mike Clark drives past Tinker Air Force Base in Oklahoma City as he goes to and from his job at Matherly Mechanical Contractors LLC.

The sprawling base has been a part of the city for so long that many commuters may not pay much attention. But Clark always notices. That's because, for Clark, the 66-year-old vice president of operations at Matherly, Tinker AFB isn't just a bunch of military planes and hangars. It's been an important Matherly client for a long time.

"They know us," Clark says. "They know our work."

Many area companies could say the same about Matherly Mechanical. It was founded by Jack Matherly in 1962. With an initial headcount of just four workers, today the third-generation industrial and commercial

HVAC, architectural, plumbing, pipefitting and fabrication company has 200 employees and is one of the larger sheet metal contractors in Oklahoma.

Since the 1960s, Matherly has fabricated and installed numerous HVAC systems and components at Tinker, which has long been the site of military aircraft maintenance, repair and refurbishment projects.

Tinker Air Force Base dates to 1941, when it was established as the Midwest Air Depot. It was the site of a Douglas Aircraft Co. factory, producing military transport aircraft during World War II. Workers at an on-site industrial plant repaired B-24 and B-17 bombers. In 1942, it was renamed Tinker Field after Clarence L. Tinker, the first Native American U.S. Army major general. Following the founding of the Air Force in 1947, it became a U.S. Air Force Base.



A MAJOR EMPLOYER

Today, Tinker is a major force in Oklahoma's economy, with an estimated annual impact of over \$3.5 billion, according to government officials. Located just five miles from downtown Oklahoma City, it encompasses 5,000 acres and has more than 700 buildings. The largest single-site employer in the state, more than 26,000 people (military and civilian) work at the base. The Navy and Department of Defense also have major presences there.

Matherly's most recent work at the base was a \$3-million ventilation project at a hangar at the base's southeast corner. The sheet metal contractor was hired to replace four 100,000-cfm blowers; fabricate and install large, round, industrial exhaust ductwork; and install a new filter bank. The ventilation upgrades were needed because the hangar is used for aircraft stripping and repainting, which can generate toxic fumes. Ventilation is critical.

"It has to have full-blown ventilation, plus the hangar's cross flow ventilation," Clark says. "It's push-pull ventilation. So one side's bringing the air, and they're kind of bringing it up high, probably 30 to 40 feet. Then it cross flows down to the filters on the ground."

And those filters are large, Clark added: (350) three-stage, 24-by-24 inches. They feed into large, ducted exhaust plenums outside the hangar. The ductwork was all negative 10-inch static pressure, made of 12-gauge metal. Discharge duct was mostly 70-inch round, but some went up to 84 inches, Clark says.

BIG FANS

The 100,000-cfm fans Matherly installed had 5.5-inch external static pressure and 150-horsepower motors. Each weighed up to 15,000 pounds, driven by variable frequency and variable speed drives. Matherly workers also rebuilt an existing plenum at the hangar.

The ductwork — all 35,000 pounds — was manufactured at Matherly's sheet metal shop, located about 1.5 miles from the base. Fabrication took approximately 3,100 hours, plus another 200 hours for drafting work in the shop. Eight workers were assigned to the project.

Installation required extensive coordination, Clark says. "It was all done by airlift and crane because it's too big," he says. "There was nothing you could install by hand on this."

Pressure testing was also required. The duct had to tie into the existing plenum and bracing was necessary.

"Because we went from 6-inch, negative 10, we had to put these braces on 20-inch centers," Clark says. "They were four-by-four hat channels. Those all had to be attached to the existing plenum. Then we had to pressure test all that to make sure that when we fasten all those channels and the seams that we met the SMACNA duct air leakage testing standards."

Altogether, field installation took around 8,000 hours.

Clark says he likes working on projects at the base, although Air Force work isn't for everyone, he adds. They're demanding clients and don't tolerate delays.

"It's a tough place to work," he says. "Air Force officials are there every single day. The standards are tougher, more stringent. This is not a job for the weak to take on because of the size of it. They can't be down for too long because the Air Force has to be cranking those planes out constantly. We didn't have a whole heck of a lot of time to do it. It all had to be prefabricated, and we had to design it to where it all fit in place perfectly."

But that kind of scrutiny doesn't bother Clark.

"We had no issues on this job," he says. And unlike some projects where owners can be slow to pay — dragging it out for 60, 90 or more than 120 days — the Air Force pays promptly. "They usually pay in approximately 30 days." ▼

Left: The filter banks Matherly made for Tinker Air Force Base are designed to hold three-stage, 24- by 24-inch filters.

Right: A Matherly Mechanical worker inspects large industrial exhaust ductwork before it's installed at a hangar at Tinker AFB in Oklahoma City. Duct ranged from 72 to 84 inches in diameter.



How To Build a Stronger Company Culture

HVAC and sheet metal contractors must go beyond the poster of values on the wall to truly improve their company cultures.

Walk into any HVAC or sheet metal contracting company, and you'll likely find a "Company Values" poster hanging on a breakroom wall. It probably has words like "Integrity," "Teamwork," and "Excellence" in bold letters. But as Craig Woodall of Grinnell Leadership points out, a poster alone isn't going to transform company culture.

"Culture isn't something you create with a committee and a media campaign," Woodall says. "You don't slap a mission statement on the wall, hand out branded Yetis and expect everything to change."

For contractors looking to fix broken workplace culture, the key isn't in expensive giveaways or motivational slogans. It's in the small, daily leadership moments that shape how employees feel about their work.

“CULTURE ISN'T BUILT IN A DAY. IT'S BUILT IN THE MOMENTS THAT MATTER.” — CRAIG WOODALL

WHY CULTURE MATTERS (AND WHY YOURS MIGHT BE STRUGGLING)

Woodall emphasizes that strong leadership is the foundation of a great company culture. When leaders fail to set the right tone, organizations struggle with ego-driven decision-making, bias and fear — all of which can destroy trust among employees.

“You have to address the fundamental fears that people have in the workplace,” Woodall says. “The fear of not belonging, the fear of not contributing and even the fear of losing their freedom.”

For HVAC and sheet metal contractors, these fears often show up in:

- A lack of communication from leadership.
- Micromanagement that kills innovation and morale.
- An “old-school” mentality that resists new ideas and change.

Instead of fixing these issues, many companies try to mask them with grand “culture initiatives” that don't actually change behavior. That's why the first step to real improvement is acknowledging that culture isn't a one-time project; it's a daily practice.

SIMPLE LEADERSHIP FIXES THAT ACTUALLY WORK

Once a residential HVAC contracting company understands why culture matters, it's time to do the real work of fixing company culture. Woodall suggests these three steps:

1. Rethink Leadership Moments. Great leadership isn't about dramatic speeches or annual company retreats. It's about small, everyday actions that build trust and morale.

“Think about the best boss you ever had,” Woodall says. “What did they do? Start there.”

For contracting businesses, this could mean:

- Taking five minutes to check in with a technician before they head to a job.
- Publicly recognizing someone's hard work at a team meeting.

- Listening to employees' concerns and actually acting on them.

2. Stop Confusing ‘Urgent’ With ‘Important.’

The HVAC and sheet metal industries are fast-paced and demanding. But when everything feels like a fire drill, company culture takes a hit.

Woodall advises leaders to make time for what truly matters — not just the next job on the schedule. “Yes, emergencies happen, but if you don't prioritize team development, you're just running in circles,” he points out.

Instead of letting culture take a backseat, schedule time for leadership moments, even during peak seasons.

3. Embrace Differences Instead of Fighting Them.

What's one of the biggest culture mistakes companies make? Expecting every employee to work and think the same way.

“You hired different people for a reason,” Woodall says. “So don't expect them to be the same.” That means:

- Encouraging experienced workers to mentor newer employees, rather than just criticizing them.
- Creating space for fresh ideas, even if they challenge long-standing practices.
- Recognizing that younger generations may have different work expectations (and that's OK).

BUILDING A CULTURE THAT LASTS

At the end of the day, improving company culture isn't about big, flashy initiatives; it's about consistency.

“Do something,” Woodall says. “Do anything. But don't do nothing.”

If you want employees to stay, be engaged and perform at their best, leadership must show up every single day. That means fostering a culture of gratitude, open communication and respect for every worker — from apprentices to senior foremen.

“Culture isn't built in a day,” Woodall says. “It's built in the moments that matter.” ▼



COVER STORY

Leading by Listening

Longtime SMACNA advocate, educator and innovator Tom Martin Jr. is approaching his term as SMACNA President with a platform to collaborate, evolve and embrace opportunity.

Tom Martin having a conversation with contractors at the SMACNA tradeshow booth.

Industry involvement can unlock valuable partnerships, project opportunities and operational excellence.

Just ask Tom Martin Jr., second-generation president of Cleveland, Ohio-based T.H. Martin Inc., a full-service mechanical contractor with a large-scale commercial project portfolio that includes Northeast Ohio sites such as Sherwin-Williams, MetroHealth Glick Center and the Lordstown Ultium Cells plant.



Martin was named president of SMACNA National last October after decades of dedication to the sheet metal and HVAC trade as an advocate, educator and connector who listens and invites everyone to the table.

He served as chapter president of SMACNA Cleveland for 10 years, beginning in 2014, and he increased its associate membership program from five to 30. He'll pursue this effort nationally to advance collaboration for adopting new technologies and equipment.

"Our industry is relationship-driven, and our peer-to-peer engagement is really strong with a willingness to share best practices and approaches for expanding business and helping other contractors be more efficient and profitable," says Martin, who ramped up his travel schedule to further strengthen local and national SMACNA relations.

Martin has long served as a conduit for change.

He was recognized in 2018 as SMACNA's Contractor of

the Year and as SMACNA's Legislative Contractor of the Year in 2021. Martin is a savvy, fair player in ongoing lobbying efforts to reform registered apprenticeship laws and regulations, pension reform, infrastructure policies and prevailing wage enforcement legislation.

His approachable demeanor and sincere interest in forwarding members' and associates' pathways to success make him an affable colleague, partner and friend.

"I am making sure we are listening and offering value to everyone, and I want to understand members' concerns, challenges and how we can help out or connect them with a peer opportunity," Martin says.

'WE CAN OFFER ALL OF THIS'

Martin grew up in the industry alongside his father, Thomas Martin, who started the business out of a 1985 GMC pickup truck with \$5,000 for tools and equipment. Now, it's a full-service mechanical contracting operation with a



67,000-square-foot manufacturing plant.

Martin Sr. grew a reputation in Cleveland for quality service and craftsmanship. When Martin and his brother, Mike, Vice President, joined the business in the early 1990s, they continued the brand's momentum as a premium contractor clients could trust.

Martin immediately got involved in the Joint Apprenticeship and Training (JATC) committee. "We were one of the biggest contractors and contributors locally, and I wanted to have a say in matters related to training, curriculum, safety and expanding opportunities for young men and women, including elective classes for our journey people," he says.

As T.H. Martin grew, so did Martin's role in SMACNA in Cleveland.

He removed barriers like transportation and expenses so team members could travel to SMACNA events. "There are so many valuable initiatives and programs going on at SMACNA National, and I

Left: Tom Martin talking with SMACNA CEO Aaron Hilger.

Right: Tom Martin



Tom Martin with Ben Cooley, Vice President at T.H. Martin, Cleveland, Ohio.

pushed to ensure our contractors were privy of everything in order for them to leverage the best practices that would help them be successful," Martin says.

"We can offer all of this," he says of SMACNA's reach.

Martin is an answer man because of his ability to listen and learn. He was and continues to be a go-to for legislative insight, labor relations information, safety and technology updates, and educational resources.

He consulted on a New Horizons guide for expediting project close-outs; a report written by two Clemson University professors with the input of 21 SMACNA members. Martin is passionate about sharing proven processes and lessons-learned insight with industry members.

"You learn about an area where a contractor is doing something well, such as recruitment or relations with labor partners or market recovery," he relates. "You find out what's working for safety or technology. Then, we take that back to our businesses and find a way to implement it."

As SMACNA president, Martin will continue to elevate the association's education efforts.

Notably, he advocates and facilitates progress in converting white papers and manuals into podcasts. Topics such as how to close out a job on time are more accessible to many when they can be downloaded and consumed as an audible.

"We are getting five times the traction on educational podcasts," he says.

'A TON OF OPPORTUNITIES'

Martin says SMACNA's range of specialty contractors and full-service operators offer an invaluable global perspective on pressing issues, including labor relations, recruitment and retention, market recovery, regulatory challenges, and project opportunities.

As a SMACNA leader, he has championed these issues, holding posts on committees including the National Contractor Manual Task Force, HVAC Steering Council, SMACNA/SMART National Market Recovery Committee, and SMACNA National Strategic Planning Task Force.

"Getting involved in SMACNA to support our industry is the best thing I ever did for me, personally, and for my business," says Martin, again pointing to collaboration. "I'm a huge advocate for partnering with other contractors

locally and nationally, assisting them and generating volume to generate new customers and profit."

When SMACNA contractors connect, they win.

Engaging locally and nationally can help contractors forecast, prepare, strategize, execute and manage evolving technology and economics.

Aside from ongoing SMACNA initiatives, Martin's term will also focus on attracting talent, engaging more associate members to promote vendor-industry collaboration, expanding task forces in emerging areas like AI and easing labor relations.

Martin emphasizes that jobs in HVAC/sheet metal offer opportunities.

He retraces his progression from helping his dad to working as an estimator and taking shop inventory. He progressed to project management, and now he and his brother are setting the stage for future generations of SMACNA members.

"We are putting a lot of resources into recruitment and retention via social media, job fairs and educating high school guidance counselors about what a great opportunity this industry offers," Martin says. "We also network with



Seth Lennon, Director of Content Development and Media Relations at SMACNA, interviews Tom Martin.

and educate our politicians, and when we can get in front of a candidate or a student's parents, we talk about the financial and healthcare benefits, as well as the endless opportunity to move up and become a future leader or business owner in this industry."

Martin adds, "Our contractors have many opportunities in the M&A space, and SMACNA offers many resources and guidance for succession planning."

Regarding SMACNA associate membership, Martin says face time with SMACNA contractors will advance the adoption of technology and processes. "Moving forward in our industry, we are seeing more collaborative delivery methods," he says.

"It's great to have a robust associate member program to assist our contractors," he continues. "We need to understand the equipment vendors are selling and the services they provide to help us decide which direction we want to go in with regard to software or equipment."

As technology evolves, task forces within SMACNA are emerging to respond to modern business demands.

"Prefabrication and modularization continues to be a trend

because we must be efficient," Martin says. "Job sites will not allow you to stockpile anymore, which forces us to be lean and prefab as much as possible."

Prefab contributes to lean principles and sustainable practices.

"You can maximize as much material possible, cut to length and save time in the field — it's all done in a lean manufacturing shop to minimize waste and maximize efficiency," Martin says.

AI is embedded in software programs and implemented as diagnostics tools, allowing instant data compilation and report delivery.

Martin says contractors should leverage AI, including in areas like tool manufacturers that are tracking data on use and repair needs. "Everything is quick and easy to access for a project — the drawings, submittals, specifications, cut sheets, change orders," he says.

'THERE WILL BE A CHANGE'

Perennial industry challenges aside from recruitment often center on labor-management relations and market share.

Martin is a strong collaborator. He says that SMART and SMACNA share a strong national alliance, and address-

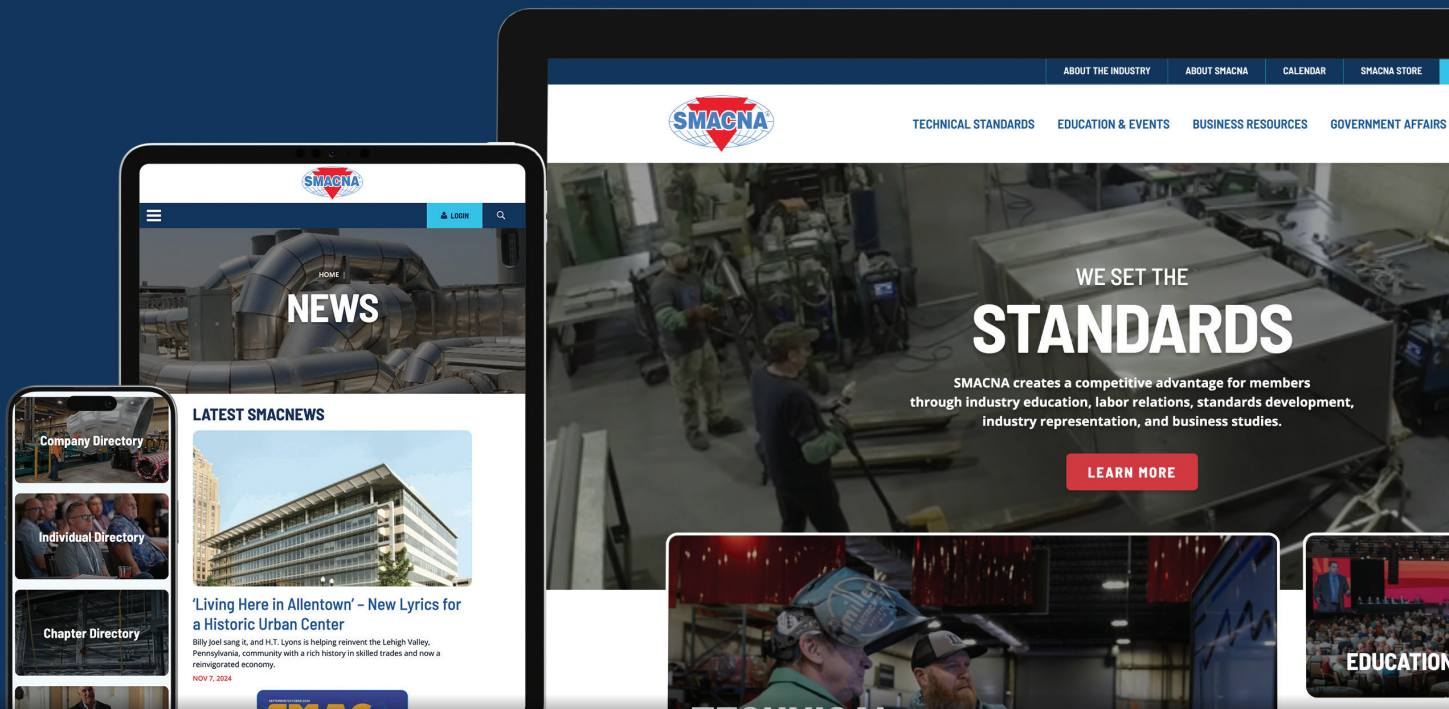
ing in-the-weeds communications issues can begin with "low-hanging fruit," Martin says. This could include focusing on a market to convene the parties for recruitment. Everyone's on the same team concerning attracting talent and introducing the industry's opportunities.

Martin suggests that the megaprojects that blew up headlines and fueled tremendous industry growth aren't going away but will slow. "With the new administration, I believe there will be a change from cell battery and EV projects to data rooms, big healthcare and any type of energy and municipal work like jails and water treatment plants," he says.

Martin says there is a promise of less regulation for more expedited projects. Looking forward, he sees the potential for increased private-sector investment in large projects.

In fact, there's potential all around. "The word is opportunity," Martin says, "and we're going into the market resourced with SMACNA's backing.

"Be prepared, be engaged, and talk to us about your best practices and challenges," Martin continues, "so we can succeed together." ▼



FEATURE STORY

SMACNA Launches NEW WEBSITE: A Game-Changer for Contractors

Designed for efficiency and clarity, the new SMACNA site delivers a modern, user-friendly experience that puts members first.

Finding essential industry resources shouldn't feel like searching for a needle in a haystack. Yet for years, that was the reality for contractors navigating SMACNA's old website. A clunky search function, scattered navigation and overwhelming amounts of content made it frustrating — even for staff — to track down critical materials like Technical Standards, training courses and legislative updates.



That's why SMACNA took action, embarking on a major website overhaul to create a smarter, more intuitive digital hub for its members. The result? A sleek, streamlined website that doesn't just look good; it works hard to support contractors in their day-to-day operations when they are looking for resources and support.

"SMACNA members are incredibly busy running projects, managing teams and staying ahead of industry changes," says Susannah Forde, Executive Director of Marketing and Communications for SMACNA. "They don't have time to waste digging through a confusing website. We built this new platform to make sure they can find what they need quickly and efficiently."

BUILT FOR THE WAY CONTRACTORS WORK

One of the biggest improvements? Navigation that makes sense. Gone are vague categories like "Learn" and "Be Informed." Instead, core sections — Technical Standards, Education & Events, Business

Resources and Government Affairs — are front and center, ensuring members can access critical information with just a few clicks.

The Resource Center is another game-changer, offering a one-stop shop for training, guides and industry articles — all neatly organized by topic. Plus, the site's enhanced search function delivers faster, more accurate results, highlighting popular search terms and featured answers for quick access to key insights.

A SITE THAT TELLS THE INDUSTRY'S STORY

Beyond functionality, the website redesign also amplifies the voices of SMACNA members. The new "About the Industry" section introduces the world to the vital work of sheet metal and HVAC contractors, showcasing their projects, innovations and contributions to the communities they serve.

"SMACNA members are leaders in construction technology, sustainability and workforce development," says Aaron Hilger, CEO of SMACNA. "This new website doesn't just

serve our members; it elevates their work and highlights their impacts on the industry."

SMARTER BEHIND THE SCENES

It's not just the front-end experience that got a major upgrade. The new content management system ensures SMACNA staff can easily update the site, keeping content fresh, relevant and accessible. That means members will always know what's new, what's trending and what's ahead for the industry.

At its core, this website redesign isn't just about aesthetics. It's about delivering real value to SMACNA contractors. A well-designed website should work as hard as the industry professionals who rely on it, and with this transformation, SMACNA is proving that digital tools can be just as powerful as the hands that build America's infrastructure.

The new site went live in February, marking the beginning of a more connected, efficient and informed SMACNA community. ▼



FEATURE STORY

A Hub for Cutting-Edge Technology & Collaboration

Attendees Get Hands-On During the Sheet Metal JATC Local 105 Tour at the 2025 MEP Innovation Conference.

The 17000-square-foot facility of Sheet Metal JATC Local 105 showcases the latest in sheet metal fabrication and HVAC system installation.

The 2025 MEP Innovation Conference in Los Angeles delivered a dynamic and forward-thinking event, bringing together more than 700 leaders from the mechanical, electrical and sheet metal trades. Over the course of four days, industry professionals explored the latest technological advancements, shared insights on emerging trends and connected with peers from across the country.



One of the standout moments of the conference was the exclusive tour of the Sheet Metal JATC Local 105 training facility, where attendees witnessed firsthand how modern apprenticeships are blending cutting-edge technology with traditional craftsmanship. The 17,000-square-foot space showcased the latest in sheet metal fabrication, HVAC system installation, and smart building integration. For many, it was an eye-opening look at the future of skilled labor training.

INSIDE THE FUTURE OF SKILLED TRADES

During the tour, visitors engaged with instructors and apprentices who demonstrated

the facility's state-of-the-art equipment, including automated plasma cutters, 3D modeling software and augmented reality training modules. The integration of digital tools into the hands-on learning environment underscored how apprentices today are mastering both theoretical knowledge and practical application.

Attendees marveled at the way Local 105 is preparing the next generation of sheet metal workers to navigate an industry increasingly shaped by automation and AI. They were impressed to see how much technology has been incorporated into traditional trades. Blending hands-on skills with digital fluency is shaping the industry's future.

AN EVOLVING CONFERENCE FOR AN EVOLVING INDUSTRY

Since its redevelopment in 2022 by the National Electrical Contractors Association (NECA), the Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) and the Mechanical Contractors Association of America (MCAA), the MEP Innovation Conference has grown into one of the premier events for construction technology and innovation.

With a robust agenda spanning AI applications in construction, advanced project management tools and cutting-edge fabrication techniques, the 2025 conference highlighted the rapid evolution

Top Left: SMACNA Past President Angie Simon talks with Jason Watson, Executive Director of Labor Relations at SMACNA..

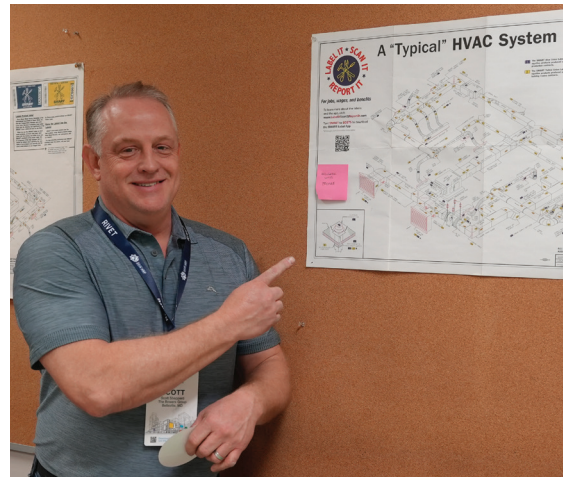
Top Right and Bottom: MEP Innovation Conference attendees tour the Sheet Metal JATC Local 105 training facility.



Left: At the Sheet Metal JATC Local 105 training facility, attendees witnessed how modern apprenticeships are blending cutting-edge technology with traditional craftsmanship.

Top Right: Scott Sheppard, The Bowers Group, Beltsville, Maryland, points to a SMART chart showing labeling guidelines on a typical HVAC system.

Bottom Right: Facility tour attendees listen to a presentation. Many of the presentations demonstrated the facility's state-of-the-art equipment, including 3D modeling software, automated plasma cutters and reality training modules.



of the industry. “You see the levels at which people are engaging now,” says Stephen L. Rose, Director of Technical Innovation and Facilities at the Electrical Training Institute of Southern California. “It’s no longer just project managers and tech specialists — company presidents are here, learning about AI and how to integrate it into their businesses.”

A new feature this year was the Sponsored Demonstration Rooms, where attendees could interact directly with the latest technologies showcased on the trade show floor. “Oh my gosh — tech, tech, tech and more tech,” Rose says. “Once upon a time, you’d come to a conference like this and see rows of hand tools. Now, you see AI-driven software, automation tools and cloud-based project management systems taking center stage.”

INNOVATION IN ACTION: THE 2025 MEP INNOVATOR OF THE YEAR

The conference also celebrated groundbreaking contributions to the industry with the MEP Innovator of the Year award. This year’s recipient, Collin Weiner, President of CalEnergy Corporation, was recognized for his leadership in integrating fault-managed power, advanced lighting controls and smart building systems. Weiner has been at the forefront of using data-driven strategies and cutting-edge materials to push the industry forward.

A COMMITMENT TO COMMUNITY

In addition to showcasing technology and innovation, the conference emphasized giving back. With the event coinciding with the containment of the devastating Los

Angeles wildfires, NECA, MCAA, SMACNA and the New Horizons Foundation pledged up to \$60,000 for disaster relief efforts. Attendees were encouraged to contribute, pushing the final donation total even higher.

LOOKING AHEAD TO 2026

As the 2025 MEP Innovation Conference ended, one thing was clear: The future of mechanical, electrical and sheet metal contracting is evolving at a rapid pace. Those who embrace change, invest in new technologies and foster industry collaboration will lead the way forward.

The 2026 MEP Innovation Conference is set to take place in Austin, Texas, from January 26–28. Stay tuned for registration details and another opportunity to be at the forefront of industry transformation. ▼

RECTANGULAR
INDUSTRIAL DUCT
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FEATURE STORY

SMACNA Releases Major Updates to Seismic Restraint and Industrial Duct Construction Manuals

New editions introduce expanded bracing options, updated sizing tables and enhanced duct design capabilities.

SMACNA has released significant updates to two of its key industry manuals: the Seismic Restraint Manual: Guidelines for Mechanical Systems, 4th Edition and the Rectangular Industrial Duct Construction Standards, 3rd Edition (2024). These updates incorporate the latest building codes, expanded design options, and new engineering data to improve safety, efficiency and usability for contractors, engineers and industry professionals.

The Seismic Restraint Manual introduces an extended list of bracing options, additional material thickness selections and refined anchor system guidelines to meet varying seismic risk levels.

Meanwhile, the Rectangular Industrial Duct Construc-

tion Standards now feature enhanced pressure capacity tables, additional duct construction options and expanded temperature design capabilities for stainless steel ducts.

With these revisions, SMACNA continues its commitment to providing the industry with the most up-to-date standards, ensuring compliance, durability and improved structural performance. Here are the update details:

SMACNA® SEISMIC RESTRAINT MANUAL: GUIDELINES FOR MECHANICAL SYSTEMS, 4TH EDITION

The manual explains how very low- and very high-risk areas of the country can be accommodated. The new edition includes a more extensive list of bracing options and has

been revised to comply with current building codes, all within a single document for user convenience.

SMACNA® RECTANGULAR INDUSTRIAL DUCT CONSTRUCTION STANDARDS, 3RD EDITION — 2024

The 1980 edition of the SMACNA® Rectangular Industrial Duct Construction was the first publication to address the selection of duct gauge and reinforcement for rectangular industrial duct systems. The 2004 Second Edition was updated to include a more “user-friendly” version of the original publication.

For this Third Edition, the SMACNA® Rectangular Industrial Duct Construction Task Force conducted a comprehensive review and update of the Second Edition. ▼





FEATURE STORY

The Future of HVACR Innovation Unfolds in Orlando

The world's largest HVACR event brought together over 50,000 industry professionals for a powerhouse showcase of innovation, education and networking.

The 2025 AHR Expo took Orlando, Florida, by storm from February 10-12, uniting more than 50,000 heating, ventilation, air conditioning and refrigeration (HVACR) professionals from around the globe for an experience in learning, networking and exploring the latest technology advancements.



Left: The SMACNA team poses with SMACNA President Tom Martin and Ben Cooley from T.H. Martin, based in Cleveland, Ohio, in the SMACNA booth.

Top Right and Bottom Right: The AHR Expo featured more than 1,800 exhibitors.



As an event for industry leaders, manufacturers, contractors and innovators, the AHR Expo once again proved to be the go-to destination for discovering emerging trends and cutting-edge solutions.

A LEGACY OF INNOVATION

Since its inception in 1930, the AHR Expo has served as an industry marketplace for businesses to showcase their latest products and technologies. Co-sponsored by ASHRAE and AHRI, the event has grown into a global phenomenon, attracting a diverse audience eager to exchange ideas and drive the future of HVACR.

"This show is more than just an exhibition; it's a place where the industry comes together to discuss challenges, explore new opportunities and pave the way for what's next," says Show Manager Mark Stevens. "With major shifts in business,

regulation and technology, professionals are eager to meet face-to-face and stay ahead of the curve."

HIGHLIGHTS FROM THE 2025 AHR EXPO

This year's event featured more than 1,800 exhibitors, 350 speakers and more than 50,000 attendees. Key highlights included:

- **Innovative Exhibits:** Industry leaders showcased products and emerging technologies across 516,060 square feet of exhibit space.
- **Speaker Sessions:** Experts shared insights on pressing industry topics, from refrigerant transitions to AI-driven HVAC solutions.
- **Networking Opportunities:** Attendees connected with industry peers, formed partnerships and gained valuable business insights.

- **Educational Sessions:** Free courses covered critical topics like flammable refrigerants, tax credits and state-of-the-art HVACR practices.

THE POWER OF CONNECTION

The AHR Expo was more than just a trade show; it was a hub for fostering relationships and opening doors to new possibilities. With dedicated networking events, a bustling exhibition floor and the Podcast Pavilion featuring 22 live recordings with industry experts, professionals had opportunities to engage and learn.

"The expansion of networking opportunities has been tremendous," says Nicole Bush, Director of Marketing at AHR Expo. "In-person events like this one help build meaningful industry connections and strengthen collaboration



between manufacturers and field professionals.”

SHAPING THE INDUSTRY'S FUTURE

With more than 300 educational sessions and a robust lineup of expert panels, attendees had access to in-depth discussions on pressing topics such as tariffs, workforce development, AI integration and cybersecurity in HVACR systems.

“The growth of our education program reflects the demand for industry-specific insights,” says Kimberley Pires, Special Projects Manager, International Exposition Co. “These sessions bridge the gap between discussion and real-world application, ensuring attendees leave with actionable knowledge.”

A major highlight of the event was the 2025 State of the Industry Panel, featuring

prominent leaders such as ASHRAE President Dennis Knight, AHRI CEO Stephen Yurek, HARDI CEO Talbot Gee and National Comfort Institute President & CEO Dominick Guarino. Moderated by Bryan Orr of HVAC School, the panel dove into upcoming industry shifts and market trends. Part of the discussion touched on workforce issues.

“Over the next 25 years, there will just be tremendous opportunity for our industry,” Knight says. “Global population projections predict that we will be building a new New York or Chicago every month just to keep up.”

HVACR systems are expected to triple worldwide over that time. “That’s a lot of retrofits and replacement work,” he adds. “And as our workforce ages, this industry will need to attract and retain new talent on an unprecedented scale.”

“Since COVID-19, we have seen greater interest in the trades,” Gee adds. “Our industry now needs to embrace that. We need to be infectious, tireless recruiting machines.”

RECOGNIZING EXCELLENCE: 2025 PRODUCT OF THE YEAR

Innovation took center stage at the AHR Expo, and this year’s Product of the Year award went to PassiveLogic for its Sense Nano, a wireless sensor that eliminates battery replacements by drawing energy from its surroundings. This technology sets a new standard in HVACR efficiency and sustainability.

LOOKING AHEAD: AHR EXPO 2026 IN LAS VEGAS

The 2026 AHR Expo heads west to Las Vegas from Feb. 2–4 for another gathering of HVACR industry leaders. ▼

Top: The AHR Expo was held at the Orange County Convention Center in Orlando, Florida.

Bottom Left: SMACNA team members present a session on “HVAC Duct Construction – Large Ductwork.”

Bottom Right: The AHR Expo drew 50,000 heating, ventilation, air conditioning and refrigeration professionals.



Tariffs and Trade Uncertainty: What SMACNA Contractors Need to Know

The latest wave of tariffs is sending ripples of uncertainty through the construction industry, and sheet metal and HVAC contractors are bracing for significant cost increases.

Stan Kolbe, SMACNA's Executive Director of Government and Political

Affairs, highlights the growing economic and procurement challenges contractors now face.

"The timing of the tariff-led trade war is particularly problematic," Kolbe explains. "Tariffs are hitting before any planned tax relief can take effect, meaning contractors, building developers and consumers

will feel price spikes immediately. At the same time, unknown future tariffs are expected to impact trade relationships worldwide, adding further uncertainty."

Kolbe warns that while the potential tax benefits Congress discussed could help stabilize costs, they are still months or even years away from taking effect.





"Congress has made it clear that they do not want to be in a situation where the U.S. and other nations are raising tariffs and fees on consumers while tax cuts remain undecided," he says.

A THREAT TO TRADE AND CONSTRUCTION GROWTH

Contractors are particularly vulnerable to the fallout from international trade disputes, and Kolbe emphasizes that the disruptions could threaten both positive trading relationships and the overall stability of the construction market. The U.S.-Mexico-Canada Free Trade Agreement (USMCA), once expected to provide long-term tariff-free stability, is now subject to record-level tariffs.

"While these tariffs are being framed as part of a border security initiative, their ultimate goal is to raise revenue to offset portions of the \$5-trillion tax cut included in the reconciliation package," Kolbe notes.

CONTRACTOR STRATEGIES TO MINIMIZE TARIFF IMPACT

With tariffs already increasing the cost of essential construction materials like steel and aluminum, Kolbe urges contractors to review and revise their contracts carefully.

"Hopefully, SMACNA contractors will quickly assess any contractual provisions related to tariffs, changes in laws and force majeure clauses," Kolbe advises. "They should determine if they can

pass along higher costs upstream and consider including price escalation clauses in both private and public contracts to seek reimbursement for unpredicted cost spikes."

Beyond revising contracts, SMACNA contractors should consider the following strategies:

- **Buy in Bulk:** Purchasing materials in advance can lock in pricing and mitigate uncertainty, though contractors must also plan for additional storage needs.
- **Source U.S. Suppliers:** Domestic suppliers may offer a way to avoid tariffs, though availability and timing concerns must be factored in.
- **Update Contracts and Subcontracts:** Adding provisions that account for tariff-related cost increases can help protect profitability and ensure projects stay on track.
- **Analyze Existing Agreements:** Reviewing contracts for clauses that allow cost adjustments due to changing laws can help contractors navigate rising material expenses.

LOOKING AHEAD: SMACNA'S ROLE IN MONITORING TARIFF CHANGES

Kolbe points out that ongoing debates in Washington over government funding, debt limits and reconciliation packages add further layers of economic unpredictability. "This trade war was unfortunately timed, adding uncertainty to investment decisions and construction markets," he

"While these tariffs are being framed as part of a border security initiative, their ultimate goal is to raise revenue to offset portions of the \$5-trillion tax cut included in the reconciliation package,"

— STAN KOLBE

says. "Economists widely agree that tariffs create pricing instability, which could slow down an already cooling market."

With the Trump administration and the Commerce Department considering further tariff measures, SMACNA remains committed to keeping its members informed. The association is monitoring developments closely and will provide timely updates on how new trade policies impact sheet metal and HVAC contractors.

For now, proactive planning and strategic contract adjustments remain SMACNA contractors' best defenses against rising costs and unpredictable trade policies. ▼



CULTURE OF RESPECT

Dushaw Hockett

The Power of Emotional Intelligence in Leadership

Leadership is often framed as a matter of logic, decision-making and strategy. But the true measure of an effective leader lies in his or her ability to understand and manage emotions — both their own and those of the people around them. This is where emotional intelligence becomes an invaluable skill.

Emotional intelligence typically consists of four key components:

- 1. Self-Awareness** — The ability to recognize and understand your own emotions.
- 2. Self-Management** — The ability to regulate and control your emotions in different situations.
- 3. Social Awareness** — The ability to perceive and interpret the emotions of others.
- 4. Relationship Management** — The ability to use emotional insight to guide interactions and foster positive relationships.

These elements shape how we lead, interact and influence others. Every leader brings their emotions into a room, including emotions shaped by personal experiences, past conversations and external stressors. The challenge is to channel those emotions productively rather than letting them dictate our actions.

PEOPLE REMEMBER HOW YOU MADE THEM FEEL

As the legendary Maya Angelou once said, “People will forget what you said, people will forget what you did, but people will never forget how you made them feel.” Leadership is not just about conveying information or issuing directives; it’s about creating an environment where people feel seen, valued and understood.

Leadership guru Dale Carnegie similarly reminds us that while we often believe we’re engaging in logical discussions about policies, procedures and strategy, what’s actually happening is an exchange of emotions. People bring their feelings, biases and past experiences into every conversation, and effective leaders recognize and navigate this reality.

Daniel Goleman, one of the foremost researchers on emotional intelligence, found that IQ accounts for only about 20% of workplace success. The remaining 80% comes down to factors such as perseverance, emotional

intelligence and interpersonal skills. This means that being the smartest person in the room isn’t enough; leaders must also be able to connect, inspire and adapt.

PRACTICING EMOTIONAL INTELLIGENCE DAILY

To strengthen your emotional intelligence, consider incorporating these five practices into your daily routine:

- 5. Be Present** — True leadership starts with being fully engaged in the moment. Avoid dwelling on past conversations or worrying about future challenges. Focus entirely on the people and situation in front of you.
- 6. Listen Actively** — Instead of formulating responses while others are speaking, truly listen. Pay attention not just to words but also to tone, body language and underlying emotions.
- 7. Manage Reactions** — When faced with stress or conflict, pause before responding. Take a deep breath and consider how your words and actions will impact those around you.
- 8. Express Empathy** — Acknowledge the emotions of others. Whether it’s celebrating a success or recognizing a challenge, demonstrating empathy builds trust and rapport.
- 9. Engage in Improvisation** — Many leaders are now taking improvisational comedy classes, not to become comedians, but to develop their ability to think on their feet, adapt to unexpected situations, and connect with people in a more dynamic way.

The best leaders don’t just manage; they inspire. They create environments where people feel empowered, supported and motivated. Emotional intelligence is not a soft skill; it’s a leadership necessity. By practicing presence, listening with intention and responding with empathy, leaders can transform the way they engage with their teams and, ultimately, drive better results.

Emotional intelligence isn’t about suppressing emotions. It’s about understanding and using them to foster stronger relationships and better decision-making. If you want to lead effectively, start by mastering the one thing that influences every interaction: your emotions. ▼

For more information on this initiative and for Culture of Respect Toolbox Talks, visit www.smacna.org.



FINANCIAL STEWARDSHIP

Ronald J. Eagar

Securing Your Business Legacy: Why ESOPs Offer a Smarter Succession Strategy

Succession planning is an often overlooked aspect of many small and medium-sized businesses, leaving owners scrambling to make decisions without sufficient time to explore all available options. Traditionally, business owners have turned to mergers, acquisitions, private equity deals or liquidation to address ownership transitions. Yet, these conventional methods can come with challenges, such as identifying the right buyer, agreeing on a fair price, and maintaining the company culture. Employee Stock Ownership Plans (ESOPs) offer a powerful alternative that helps mitigate these issues while providing distinct advantages.

WHY CHOOSE AN ESOP?

ESOPs stand out because they offer a more flexible ownership transition, enabling owners to retain significant control during the process. Owners can sell a minority interest or gradually sell to reach a complete ownership transfer. By conducting professional feasibility studies, businesses can craft a tailored structure that factors in profitability, company size, debt and workforce characteristics. Most importantly, you can retain a company culture you worked so hard to create. This strategic planning is essential for a seamless transition that secures the business's long-term success.

THE BUSINESS BENEFITS OF ESOPS

INCREASED PERFORMANCE AND STABILITY

Employee ownership fosters a strong alignment between individual and organizational goals, often leading to measurable gains in overall business performance. Research shows that companies with ESOPs experience significantly lower employee turnover rates, reducing the cost of recruiting and training new staff while preserving valuable institutional knowledge. This stability enhances client relationships as employees remain engaged and invested in the company's long-term growth.

NOTABLE FINANCIAL BENEFITS

One of the standout advantages of ESOPs is the financial upside, particularly in tax benefits. For example, the sellers can elect to defer capital gains taxes

when proceeds from the sale of shares to an ESOP are reinvested in qualified replacement property, referred to as a 1042 transaction. Additionally, the company can take advantage of tax-deductible contributions made to pay off ESOP-related debt. It could be structured to operate in a federal and, in most cases, a state tax-free environment. Leaving what would have been designated tax dollars to now be available for reinvestment into the business or additional dollars to share with your employees in the form of additional compensation and/or retirement benefits. This tax-friendly structure provides current owners and future employee-owners with significant financial incentives, making ESOPs a desirable succession option.

ATTRACTING AND RETAINING TALENT

In today's competitive labor market, offering employee ownership is a compelling way to attract and retain top talent. Employee owners tend to accumulate more substantial retirement savings than employees in traditional roles, making it a valuable perk. Moreover, ESOPs help preserve the company's culture and values while offering unique ownership opportunities that resonate with today's workforce, which often seeks more than just monetary compensation.

ESOPs benefit employees by giving them ownership without requiring any upfront financial investment or personal risk. Participating directly in the company's success through stock ownership allows employees to build long-term wealth while encouraging strategic thinking and leadership at every level.

A SUSTAINABLE PATH FORWARD

For companies exploring ownership transitions, ESOPs present an appealing option that balances stakeholder interests and supports future success.

In late 2023, Grassi transitioned to an ESOP, becoming one of the first accounting firms to adopt this innovative succession model. ▼

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



LEGAL

Grant Collins

JATCs Assess the Impact of President Trump's Executive Order Ending Affirmative Action and DEI Programs

On Jan. 21, 2025, President Trump signed Executive Order 14173, “Ending Illegal Discrimination and Restoring Merit-Based Opportunity” (the “EO”).¹ The EO rescinds Executive Order 11246, which mandated certain aspects of the affirmative action requirements. The EO also bars “illegal” DEI programs and promotes “colorblind equality” and merit-based opportunity.

While there are still many unanswered questions about the EO — and legal challenges are expected — provided below is a summary of the impact of the EO on joint apprenticeship training committees (JATCs) that are sponsored by SMACNA members.

IMPACT ON JATC FUNDS

For contractors that sponsor jointly-trusted registered apprenticeship programs (or JATCs) subject to the affirmative action requirements of 29 C.F.R. Parts 29 and 30, many contractors have questioned whether the EO impacts these requirements.

As an initial matter, it is important to remember that the affirmative action obligations on JATC programs were established by federal regulations issued by the Department of Labor’s Employment and Training Administration (ETA).² The current affirmative action regulations were issued by the ETA back in 2016.³ What’s more, the 2016 regulations were issued by the ETA pursuant to federal law, including the National Apprenticeship Act.⁴

The EO does not purport to revoke the ETA’s 2016 regulations. And, even if it did, the Administrative Procedure Act provides that federal regulations can only be changed through a notice and comment procedure. Thus, in order to change the ETA’s 2016 regulations, the Trump administration would need to issue a proposed rule, request public comment, and then publish a final rule as it relates to the affirmative action requirements for JATC programs in 29 C.F.R. Parts 29 and 30. While the ETA could issue a proposed rule in the future, that has not happened yet.

It is also important to note that for JATCs receiving federal funding or federal grants, the Trump admin-

istration may condition those federal funds on the elimination of DEI programs or prohibit grantees from seeking reimbursement for the costs associated with DEI programs.

As noted above, the EO does provide that the Attorney General and the Secretary of Education will issue guidance within 120 days. According to the EO, the guidance will address “all State and local educational agencies that receive Federal funds, as well as all institutions of higher education that receive Federal grants or participate in the Federal student loan assistance program under Title IV of the Higher Education Act, 20 U.S.C. 1070 et seq., regarding the measures and practices required to comply with *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023).”

BOTTOM LINE

The full effect of the EO is yet to be determined as we wait for additional information and guidance from the Trump administration.

Though the EO will likely be challenged and a lot of questions remain, federal contractors and subcontractors (and other employers) should review their DEI policies and practices for compliance now with existing law and consult their counsel for guidance to ensure they are prepared.

We will continue to monitor these legal issues as they develop. ▼

Grant Collins is a specialist in labor and employment law at Felhaber Larson. Reach him at gcollins@felhaber.com. This is part two of a column discussing the changes to various programs based on this Executive Order. For part one, please check out the January/February 2025 issue of SMACNews at www.smacna.org.

¹ 90 Fed. Reg. 8633 (Jan. 31, 2025).

² 29 C.F.R. Parts 29 and 30.

³ ETA, Apprenticeship Programs: Equal Employment Opportunity, 81 Fed. Reg. 92026 (Dec. 19, 2016) (amending 29 C.F.R. Parts 29 and 30).

⁴ 29 U.S.C. § 50; see also 40 U.S.C. § 3145; 5 U.S.C. § 301.

SMACNA Associate Members

PREMIER PARTNERS



PLATINUM



GOLD



SILVER



BRONZE



SMACNA's Associate Member program provides an opportunity for industry service providers and suppliers to build lasting partnerships with our industry-leading contractors. To learn more about becoming an Associate Member, visit smacna.org/community/associate-members.



SMACNA National Headquarters

P.O. Box 221230, Chantilly, VA 20153-1230
703.803.2980

Capitol Hill Office

305 4th Street, NE, Washington, DC 20002
202.547.8202

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SMACNA CALENDAR

2025

MAY

May 5-7

CEA National Issues Conference
Washington, D.C.

May 14

Using ChatGPT with Excel
Webinar

May 19-21

Financial Boot Camp – Interpret,
Navigate, Analyze!
Phoenix, Arizona

JUNE

June 1-3

Council of Chapter
Representatives
Meeting
Louisville, Kentucky

June 8-11

Project Managers
Institute
Salt Lake City, Utah

June 24

Using AI to Draft RFIs
and Other Forms
Webinar

OCTOBER

October 26-29

2025 SMACNA
Annual Convention
Maui, Hawaii

DECEMBER

December 7-9

Council of Chapter
Representatives Meeting
Nashville, Tennessee

Welcome New SMACNA Members

Cascade Metal Design Ltd.	Surrey, British Columbia, Canada
Cox Air Systems Inc.	Belton, Missouri
Dania Air Control System Factory	Riyadh, Saudi Arabia
D&S Commercial Service Inc.	Waipahu, Hawaii
Geiger Brothers	Jackson, Ohio
Marline Sheet Metal Inc.	Levittown, Pennsylvania
Rocky Point Commercial HVAC Inc.	Port Moody, British Columbia, Canada
Stanger Industries	Kansas City, Missouri
Superior Duct Fabrication	Columbus, Ohio
Test and Balance Solutions Inc.	Mankato, Minnesota
TL Mechanical Inc.	Ottawa, Ontario, Canada

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