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SMAC NEWS



Breaking Records, Building Opportunities

Industry leaders gather to strengthen ties and shape
the future of the HVAC and sheet metal trades.



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CEO UPDATE Aaron Hilger



A Gathering to Remember: Gratitude, Growth & the Power of Community

It is always fun to bring the SMACNA convention to Maui. It was wonderful to connect with members and learn from great speakers. This convention was the most attended in SMACNA history. Record attendance speaks to the desire of SMACNA members to be engaged with their association. Education sessions were full, and we know that we will need more space when we return in 2030. It is also normal and healthy for associations to have debate at meetings. Associations are governed by members, and members should bring up things that concern them. I do encourage members to utilize the Council of Chapter Representatives to address programmatic concerns. The Council is designed to address issues and has the ability to make recommendations to the board. The Council meets each year in June and December, right before the Board's meetings in January and July.

I am excited to work with Todd Hill during his term as our new president. Todd's story is incredible. Rising from Apprentice to Owner of his own company to the President at SMACNA. This is a trajectory that is only possible in our industry, and Todd certainly became the "smart" sheet metal worker that his father encouraged. The energy, enthusiasm and leadership that Todd brings to the table will benefit all of our members. I encourage you to connect with him and invite him or your board liaison to your chapter in 2026.

I also want to thank SMART General President Mike Coleman for his ongoing partnership and for furthering the labor management relationship. It speaks

volumes when the General President of a major union is an active participant in an event like the Labor Forum. I also attend and speak at SMART's annual meeting each year, and it is one of the highlights of my annual schedule. Mike and I may sound like broken records, but SMACNA and SMART understand that there is much more to be gained from collaboration than from confrontation. This attitude goes a long way in pushing our industry forward.

Finally, I want to thank our SMACNA staff for all of their hard work in making this convention the best in SMACNA's history. From working with the hotel to promoting the event and building out the educational programming, none of this is possible without the work of our team at National.

As we look forward to 2026, we will be full speed ahead. I'm looking forward to the first six months of the new year, which include critical events such as Partners in Progress, the MEP Innovation Conference, the Safety and Health Conference and the Fab Forum. For those of you bargaining this year, I also encourage you to attend Collective Bargaining Orientation in early January. The program is great preparation for negotiations. Joining the bargainers' calls can also help keep you informed about issues and settlements as they occur. These are all opportunities to engage with your peers. I hope you take advantage of them.

I hope everyone has a safe and joyous holiday season. I am looking forward to 2026! ▼

Aaron Hilger
SMACNA CEO



FROM THE PRESIDENT

Todd Hill



A Journey Built on Opportunity: SMACNA's New President Looks Ahead



Iloha, everyone. It means the world to me to serve as your 2025-2026 SMACNA National President. When I first started in this industry, I never realized the opportunities that would come my way. I truly care about SMACNA's mission and will do my best to earn your trust.

For me, SMACNA's core value is enabling opportunities for its members.

I began my career in the trade in 1990 at age 19, while attending community college full-time. My father encouraged me to take the sheet metal apprentice test, and his advice proved invaluable. Looking back, I am grateful for his guidance.

My father, who passed in 2018 after a 43-year career in sheet metal, took great pride in his work. As I advanced at Ventcon, he often reminded me of the value of his advice. I hope to continue making him proud.

I now have been with Ventcon for 35 years. I am grateful to everyone who has supported me, both as a business leader and as a member of this association. Our industry offers unique opportunities for career advancement through dedication and hard work.

SMACNA offers valuable benefits, especially when it comes to technology, labor and business management. Our industry keeps changing, which means

there are always new chances to grow. I encourage you to get involved. Other members have a lot of experience to share. By joining in, you can discover new ways to run your business and create more opportunities for yourself and your team.

Investing in my career and business by being active in SMACNA has been one of my best decisions.

If I can inspire even one person to take full advantage of what SMACNA National offers, I will consider my presidency a success.

Thank you for this opportunity to serve. I look forward to connecting with many of you in the coming year. ▼

If I can inspire even one person to take full advantage of what SMACNA offers, I will consider my presidency a success.” – Todd Hill



Stainless Spires Rise Above the River

Budde Sheet Metal Works crafts soaring eagle-wing spires, blending old-school expertise and next-gen training for Dayton's New Law Enforcement Memorial that honors fallen officers.

The team at Budde Sheet Metal Works worked closely with the client to design the cutouts of the 10-gauge steel spires for the Montgomery County Law Enforcement Memorial.

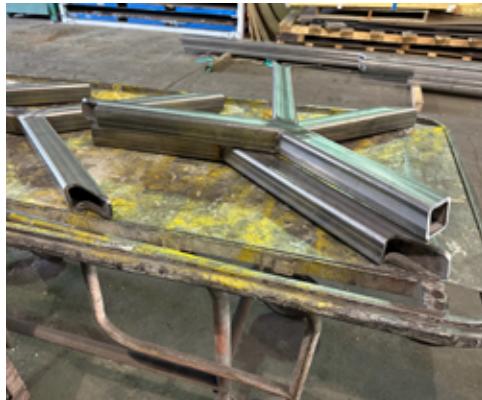
Next spring an 8-foot granite wall with extensive landscaping, trees and paths will overlook the Miami River in Dayton, Ohio. The new \$2-million Montgomery County Law Enforcement Memorial will commemorate 49 law enforcement officers who have fallen in the line of duty. Budde Sheet Metal Works of Dayton, Ohio, completed the first stage of the memorial this fall by installing five 30-foot stainless steel spires. "There's a concrete pad with a star design, and these spires sit at every point of the star," says Michael Worley, Project Manager for Budde Sheet Metal Works.

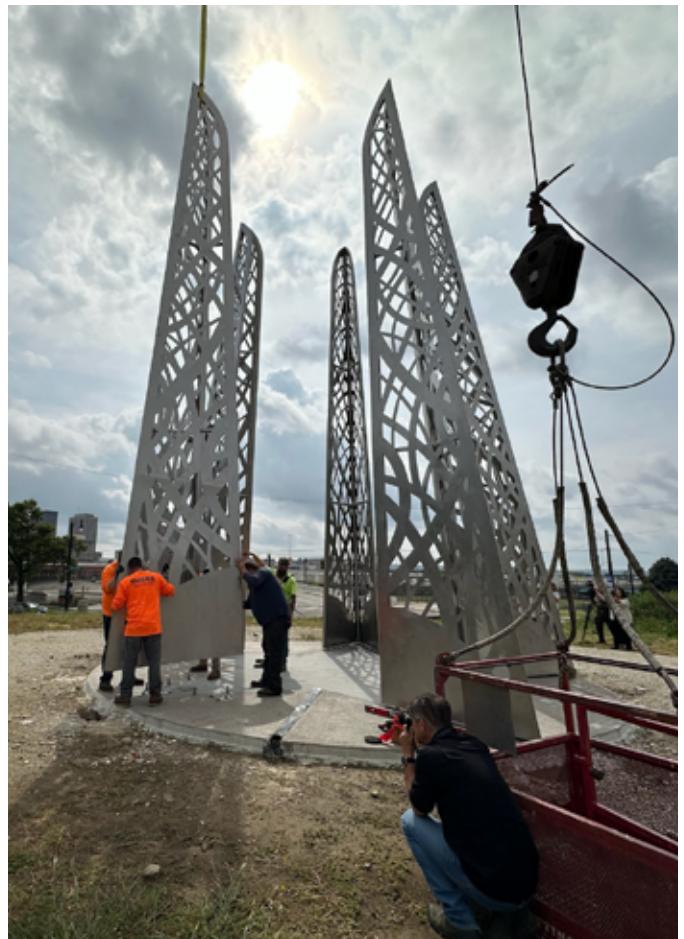
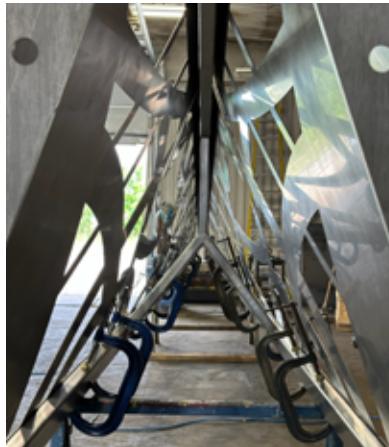
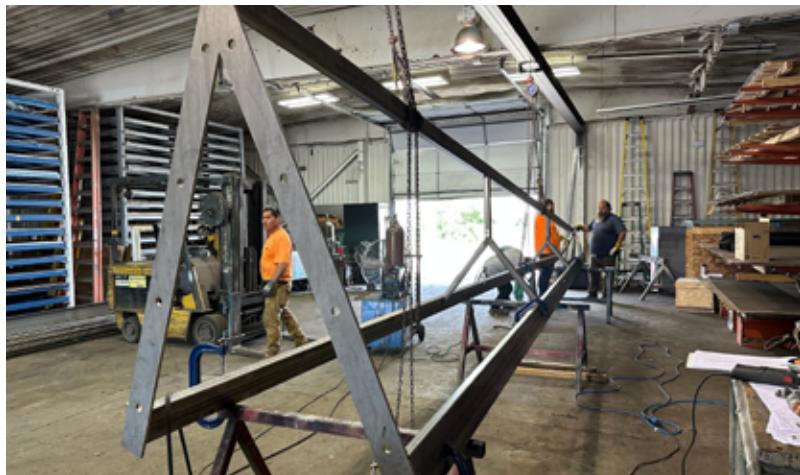
The Law Enforcement Memorial Association selected local architectural firm Earl Reeder Associates to bring the memorial to life, and Earl Reeder brought Budde Sheet Metal Works on board very early. "We have done a couple projects for him in the past," Worley says, "so he came to us with a concept. This was before they completed the funding for this project, probably a year and a half ago."

Budde had a prior relationship with the architect, so he is familiar with their valuable skill set. "We have an

in-house CAD design team," says Candice L. Budde, President of Budde Sheet Metal Works. "So we have a history of success with these kinds of projects." The head of the CAD and IT department has been with the contractor for 30 years. "The structural engineer and the planning committees bring the project to us with their concept, then we develop the print and the blueprints and the drawings. They give us free reign to develop it and do the fabrication drawings, as long as we stay within the guidelines of the structural engineers. That is unique to what we do. Not many sheet metal companies in the area can do that."

Budde's team worked closely with the customer to design the cutouts in the 10-gauge steel. "You'll notice weaving in the spires," Worley says. "That's a neat aspect that gives this project a bit of a 3D look." Budde cut the spires on their 4000-watt Trumpf laser, then wove lighter gage ribbon in between the cutouts. "The woven details were the biggest issue as far as designing. They took a lot of planning and back and forth with the customer."





The spires represent eagle's wings, which added another complication. "They may look straight in the pictures, but there's a slight curvature to the spires," Budde says. "To get the heavy-duty structural tubing to hold that curvature and to be consistent, the team treated the parts as puzzle pieces. They had to make sure all the pieces fit in correctly to follow the same curvature for the final project."

To construct the spires, Budde purchased about 500 feet of structural tubing, both square and rectangular, and the team did all fabrication in the shop. They used 30 sheets of 10-gauge 304 stainless steel for the spires and five sheets of 16-gauge reinforced panels for the ribbons. Each panel was carefully selected to ensure a consistent appearance. "You're using sheets of metal from different lots, so you want to match the coloring of the metal to make sure that it looks good," Budde explains. "It's a public piece, so you can't just put it out there. You have to make sure that it's pristine, that your welds are hidden and cleaned up correctly and that it looks great. The finish is very important."

The five completed spires weigh 1,800 pounds apiece for a total of 9,000 pounds of stainless steel. "The guy who led the installation has done bigger projects, heavier projects, before, so he knows how to use hoisting and cranes and how to move the material to get it in place the way he wants to," Budde says. "He knows how to manipulate the metal and move it around to get the

desired effect. It's not easy when it's big, cumbersome pieces. Using the correct rigging and moving methods played an integral part in our success."

Budde's experienced team members took the opportunity to train the next generation of craftspersons. "He had some of the younger guys on his team, and he did a great job of teaching them and showing them how to do this work," Budde says. "This was a great project for training because it was so fabrication intensive."

"Everyone in our shop touches almost every project because of how we do the fabrication process," Budde says. But four dedicated workers did the bulk of the spire fabrication over eight weeks, for a total of 900 shop hours. Three workers handled the actual installation on site, which took another two days, or about 100 more hours, for a final total of 1,000 hours. From fabrication to installation, Budde devoted four and a half months to the project.

"Anytime we successfully complete a project, I think everybody is satisfied, especially when it's a very custom piece like this," Worley says. But the Montgomery County Law Enforcement Memorial is an extra source of pride. Budde's work is visible for miles along the river, and television crews filmed the installation crew for local news shows. "It's going to be up there for decades, and our kids are going to see it. We will always be able to point to this memorial and say, 'Hey, I had a hand in that.'" ▼

Four workers focused on the fabrication of these spires over eight weeks. This plus installation totaled 1,000 hours.



Flying High Again

SMACNA member W.G. Tomko's work on the redesigned mechanical systems at Pittsburgh International Airport was key to the \$1.7-billion renovation project.

The new HVAC at the terminal at the Pittsburgh International Airport includes 23 air handlers, 40 fan-coil units, 29 fans and 94 variable air volume (VAV) systems.

Pittsburgh International Airport was once called "the airport of the future" by *The New York Times*. Extensively renovated in the early 1990s, for years it was a showcase hub for U.S. Airways, which operated hundreds of flights there daily. It featured an underground tram that whisked passengers between terminals and shopping options so extensive that area residents would visit just to browse the retail stores.

But in the early 2000s, Pittsburgh International Airport experienced turbulence. Security rules after the Sept. 11, 2001, terrorist attacks banned non-passengers from airport terminals. That put an end to the airport's era as a shopping destination. Then U.S. Airways went through bankruptcy — twice — and closed its Pittsburgh hub. Passenger traffic plummeted. Almost a third of its

75 gates went unused. Suddenly, the airport didn't need all that shopping.

But the Allegheny County Airport Authority, which owns and operates the facility, wasn't about to let the airport become an aviation relic. In 2017, officials announced a plan to modernize and right-size the airport for its current passenger count. As part of the overhaul, the tram — no longer needed — would be eliminated, and the number of terminal gates reduced to 58. The new design would save an estimated \$25 million in operating costs, airport officials say.

W.G. TOMKO WINS PROJECT

Various delays plus a global pandemic pushed back the project start date. But by mid-2021, the project, estimated to cost about \$1.7 billion, was finally underway. SMACNA member W.G. Tomko Inc., a mechanical con-



tractor based in Finleyville, Pennsylvania, was awarded a \$65-million contract covering the new terminal's mechanical, HVAC and piping, plus similar work on the existing terminal and all plumbing.

W.G. Tomko got its start as a plumbing business founded in 1954 in Bill and Martha Tomko's Hazelwood, Pennsylvania, home. After decades as just a plumbing company, Tomko added duct fabrication and installation services 18 years ago. In 2008, W.G. Tomko became a full-service mechanical contractor, and in 2010, the company added 20,000 square feet to its sheet metal shop.

That extra shop space came in handy for the Pittsburgh International Airport project. The contract required more than one million pounds of ductwork to be fabricated and installed by Tomko workers. "It was probably the largest contract I've ever worked on," says David Hughes, a 26-year industry veteran and Tomko's sheet metal field foreman on the project. "It's a big deal in Pittsburgh."

In early October, *SMACNews* interviewed several W.G. Tomko sheet metal supervisors involved in the project. At the time, the project was in its final stages, and the airport's new terminal was just days from opening. "We're pretty much down to punch list items and last-minute change orders," Hughes says.

AIRPORT REQUIRES EXTENSIVE HVAC

Tomko fabricated all of the airport project's rectangular and spiral duct at its sheet metal facility. Much of the duct was 20-gauge, 4-inch water column positive pressure, with pressure classes ranging from -2 to +4 inches water column. About 80% of the duct was rectangular, as large as 170 by 60 inches, able to move up to 50,000 cubic feet per minute of air. The new terminal HVAC includes 23 air handlers, 40 fan-coil units, 29 fans and 94 variable air volume (VAV) systems.

Tomko's extensive experience with building information modeling (BIM) and other construction software helped ensure the work was the highest quality, says David Porupski, Tomko Sheet Metal Fabrication Manager. "Our sheet metal department uses full BIM on almost every project and a CAD-to-CAM process that makes our fabrication top notch," Porupski says.

Tomko officials say they were lucky that all the contractors on the project got along well, although Hughes says that didn't mean Tomko didn't encounter some obstacles. "One of the biggest challenges was just trying to schedule things appropriately," Hughes says. "Material handling was (another) big one. Because along with the airport terminal itself, they were redoing the whole infrastructure. There was a lot of civil [construction] work right outside of the building, and they brought a new highway system in the front. So, we were trying to coordinate where we could take deliveries and get our materials to the locations needed."

Patrick Barrett, a Tomko Project Executive, says the airport authority was eager to get the project finished. Multiple shifts, six days a week, were required. "There were two shifts going on for a good portion of it," he says. Tomko was working "pretty much every Saturday for the last year."

More than 140 Tomko employees worked on the job.

Hughes points out that the project was a learning exercise for everyone involved. "The guys did a fantastic job," he adds. "We had some senior mechanics out here plus quite a few younger apprentices who got to learn from a big job like this. They got a good education out here."

As if the airport project wasn't enough, more than 130 Tomko team members were simultaneously working on a Form Energy solar battery plant 30 miles away in Weirton, West Virginia. The facility covers almost 12 acres under one roof.

"So it got a little difficult logistically to get everything out here and stay ahead on multiple work sites. It was challenging, but with these guys, everything's pretty much easy," Porupski says. ▼



Forging the Future of Industrial Sheet Metal

Family-founded and future-focused, Vidimos Inc. stakes its reputation on precision, flexibility and a commitment to craftsmanship.

Scott Vidimos speaking at the Executive Committee Lunch during the SMACNA Annual Convention in Maui, Hawaii, in October.

For nearly 80 years, Vidimos Inc. has been a pillar of industrial sheet metal fabrication, weaving family tradition with cutting-edge technology.

"My grandfather started the business in 1946," says Scott Vidimos, President and third-generation leader. "My father worked past 2005. I think I still have a little bit of meat on the bone — maybe four or five years — but my son has been working since 2004, and he's got a great grasp of the service side of the business."

This continuity weaves tradition with fresh expertise and new technology, a blend Vidimos says defines the company's approach to service.

TECHNOLOGY AND TEAMWORK

The company's East Chicago, Indiana, shop spans 60,000 square feet and is neatly sectioned into three bays: light, medium and heavy. The light bay caters to sheet metal and light gauge fabrications like flashings and ductwork. The middle bay ups the ante with specialty fabrications and heavier duct systems. "In our heavy bay, which we affectionately call 'heat and beat,'

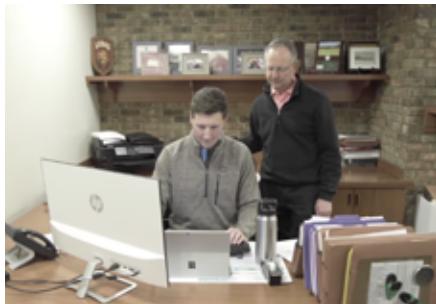
we handle quarter-inch plate, structural steel, tanks and heavier steel," Vidimos says. This division allows them to handle around 5.6 million pounds of material annually, ranging from carbon steel to stainless steel to aluminum alloys and even rubber and plastics.

Vidimos emphasizes staying on the cutting edge. The company's newest addition, a 10,000-watt fiber laser, cuts through 1-inch carbon steel and $\frac{1}{2}$ -inch stainless steel about three times faster than previous equipment. "Our laser tables and plasma table go constantly. They feed almost everything else we do in the shop," Vidimos says, highlighting the blend of technology and skilled labor.

This investment isn't just about speed but helps the business keep up with the urgent demands of steel mills, power plants and manufacturers who count on Vidimos for precision.

CUSTOMER-CENTRIC FLEXIBILITY AND EXPERTISE

Inside the office, five project managers juggle schedules and detailed job specs for varied client bases. Vidimos prides itself on responsiveness and flexibility.



"If somebody calls, that project manager runs with it; we keep everybody in the loop," Vidimos says. "Our dynamic is that we can adjust schedules on the fly to accommodate our customers."

Technology's true impact isn't just lasers and scanners but also the software side. "We have three programmers who draw custom parts for us. Two-thirds of what we do is fabrication, so that in the process is vital," he says. Customers often send samples and Vidimos reverse-engineers parts using modeling. "Based on precise measuring, we build pieces off the model. When you pull it apart, you know everything's going to fit."

Whether it's rebuilding a drying oven or fabricating large structural steel pieces, Vidimos adapts quickly to its clients' emergent needs. "The customer has the concept of what they want but not the steps to get there. That's where our design expertise comes in," he explains.

Vidimos paints a vivid picture of the company's quality ethos: "I always tell guys, 'Pretend like you're taking this home and putting it in your living room to show your family.' We want to have quality work coming out of our shop." This approach resonates through every project, large or small, as the company balances the demands of industrial clients with a commitment to craftsmanship.

FACING SHIFTS AND SLOWDOWNS

As both a company leader and SMACNA President-Elect, Vidimos keeps a finger on the pulse of industry trends. "We've had a couple of really good years. The shiny penny is still those mega-projects, with plenty of data centers going up and carrying a lot of labor. But heavy industry is starting to slow down

a little. It's not very often that we work straight 40s in our shop, but we're at that point now," he says, adding that team members tidying the shop is a sign of this slowdown. "When I've got people out cleaning up and things are getting tidy, that means we're looking for a little bit of work."

Vidimos sees the union partnership as vital, especially in adapting to labor fluctuations. "Our relationship with our labor partners is exactly that: a partnership. We both understand we have skin in the game, and we're better together than apart. It's a binding relationship for pension and contractual reasons," he says, noting the importance of being ready for tough negotiations but focused on long-term success.

LOOKING AHEAD: INNOVATION AND GROWTH

Talk of the future at Vidimos isn't just about equipment upgrades but exploring new markets within architectural and service sheet metal work. Embracing emerging technologies and continuing to nurture skilled members remains a focus. "There's some pretty interesting technologies out there that can assist our members in doing their jobs," Vidimos says. "A lot of what we do is driven by the customer. If they're looking for something, we find a way to do it," capturing the company's can-do spirit.

Also, next year is a milestone year for Vidimos as he'll become president of SMACNA in October 2026. He hopes to be a champion for greater knowledge sharing. "My goal would be to be the cheerleader, to help familiarize people with all of the resources available. SMACNA is a volunteer organization, and those volunteers bring great experience to the table," he says. "The programs and resources we have are contractor-driven, and it's a matter of spreading the good word." ▼

Scott Vidimos and his son, Adam Vidimos (bottom left). Adam Vidimos on the job (top right). The Vidimos Indiana facility (top left and bottom middle and right).



On the Brink of Change

How one residential HVAC contractor has been preparing for the A2L refrigerants transition.

Russell Kimball, Owner of Evergreen State Sheet Metal, speaking at the SMACNA Annual Convention in Maui, Hawaii, in October. Signage, audience and Maui views from the convention (opposite page).

Residential HVAC contractors must prepare for sweeping changes as the industry shifts toward A2L refrigerants, driven by federal mandates aimed at reducing environmental impact, according to Russell Kimball, Owner of Evergreen State Sheet Metal Inc. in Everett, Washington.

“I’m already a year ahead in converting to A2L systems,” Kimball says. His foresight is underscored by ongoing regulatory changes that he warns could render some present-day information obsolete by next year.

THE WHY BEHIND THE SHIFT

The impetus for this transition centers on the Global Warming Potential (GWP) targets set by the American Innovation & Manufacturing (AIM) Act, which gave the Environmental Protection Agency the authority to phase down hydrofluorocarbons (HFCs) like R410A,

which is currently used on all manufactured residential air conditioners and heat pumps.

“We’re phasing down R410A, which has a GWP of 2088, and replacing them with lower-GWP refrigerants like R32 and R454B, which have GWPs of 675 and 467, respectively,” says Kimball, who’s company was established in 1968, providing HVAC, electrical repair, installation and maintenance services for residential homes and commercial businesses. This phasedown ushers in new challenges, with certain states like California, Washington and New York moving faster than federal schedules due to stricter emissions laws.

The contractor perspective isn’t just about swapping refrigerants; it’s a complete overhaul in equipment and safety protocols. “There are no simple component swaps,” Kimball says. “When evaporators or compressors fail, usually the entire system must be replaced.” He highlights that safety is paramount, especially as R32

2025
SMACNA ANNUAL CONVENTION

Maile

Wednesday, October 29, 2025

11:15 AM - 12:15 PM

New A2L Refrigerants

Russell Kimball
Owner,
Evergreen State Sheet Metal, Inc.



and R454B are mildly flammable refrigerants requiring new leak detection sensors, shutdown systems and blower fans for dissipation.

He also alerts contractors to expect equipment prices to rise about 20%, driven by necessary electrical redesigns and safety features compared to the usual 7% metal cost increases. "These extra costs reflect the complexity of redesigning indoor and outdoor components to meet new safety labeling and risk-of-fire protocols," Kimball says.

TRAINING AND TOOLS: A NEW PLAYBOOK

Kimball stresses that the transition demands new tooling and enhanced training. "We still use recovery machines, vacuum pumps and leak detection tools like before, but continuing education is key since there isn't an EPA A2L certification yet," he says. Contractors must maintain their EPA 608 licenses but are encouraged to deepen their expertise through ongoing education.

Job site testing is more involved as well, with fire-offs, nitrogen sweeps and pressure testing becoming part of the normal procedure. "Leaks are even bigger setbacks now due to the flammability concerns," Kimball warns.

Navigating safety codes and building requirements around A2L refrigerants presents a steep learning curve. Kimball acknowledges this is "a complex topic,

highly technical and evolving beyond my core expertise," but urges contractors to stay informed. Mechanical room ventilation, refrigerant alarm systems and compliance with new truck refrigerant load limits (maximum 225 pounds per vehicle) are just some of the heightened safety protocols.

New storage rules are coming, too. Cylinders holding A2L refrigerants must be kept outside offices and shops, with record-keeping thresholds lowered from 50 pounds to 15 pounds starting in 2028. "Updated labeling and safety protocols will be necessary across all equipment," he says.

As far as customers are concerned, Kimball addressed the changes in a blog on his website, explaining what the shift means, how costs may differ and what customers can do based on the types of existing systems they have. Transparency keeps communication lines open with customers and helps to answer any questions or concerns they have, he says.

While Kimball doesn't claim to have all the answers, particularly on chillers and VRF systems, he encourages an open exchange of knowledge in the industry. Collective expertise will be vital as contractors face these transitions.

His message is clear: adapt early, train continuously and prioritize safety to thrive in the era of A2L refrigerants. ▼



Breaking Records, Building Opportunities

Industry leaders gather to strengthen ties and shape the future of the HVAC and sheet metal trades.

As the doors opened under Maui's blue sky, the SMACNA Annual Convention began by breaking records.

College of Fellows Golf Tournament (top left), audience at the Keynote Presentation and Awards Lunch (top right), Product Show (bottom left), Maui palm trees and sky (bottom right).

"Right now, you are sitting in the best-attended SMACNA Annual Convention in history," says SMACNA President Tom Martin (now Past President). The association's commitment to growth and engagement is evident: newcomers and veterans alike are reminded that their participation is both an investment in the present and a foundation for the future.

Aaron Hilger, SMACNA CEO, also welcomed the record turnout with gratitude, saying, "I am genuinely grateful to be here and to share this time with all of you and humbled by the incredible turnout. 2025 has been a busy, challenging and interesting year so far."

"Whether it is attending an educational session, listen-

ing to some of our featured speakers or simply networking with your peers, this convention is a once-a-year opportunity for you to learn more about how to not only be a better professional but build bonds that will serve you well in the years to come," Martin says, underscoring the personal and professional dividends of engagement.

"I am genuinely grateful to be here and to share this time with all of you and humbled by the incredible turnout. 2025 has been a busy, challenging and interesting year so far." —Aaron Hilger

Awards Luncheon honors (top left), a College of Fellows Golf Tournament foursome (top right), SMACNA CEO Aaron Hilger addressing the SMACNA Annual Convention crowd (bottom).

A YEAR OF RECORD GROWTH AND NEW CHALLENGES

Across the country, SMACNA members are thriving. “Nationwide we have seen tremendous opportunities and growth driven by megaprojects: data centers, advanced manufacturing plants, health care facilities and microchip plants are keeping SMACNA members busier than ever,” Hilger explains. He notes that this surge is especially visible in the “heartland — Indiana, Michigan and Ohio — where there is more work than many can remember,” and praises Texas and the Southwest. “Texas continues to thrive, and

growth in Arizona and New Mexico has been remarkable.” Even in the South, where union density is lower, “large projects are creating new possibilities,” he says.

“For both SMACNA and SMART, this surge has fueled three straight years of hours growth,” Hilger says. “I could not be prouder of how our members and partners have stepped up to meet those demands.”

Yet Hilger doesn’t shy away from industry concerns. “Some of our strongest markets — on the East and West Coasts — are starting to feel headwinds,” he observes, pointing to state policies that

slow development and encourage investment elsewhere. “On a national level, policy uncertainty has made some owners hesitant, which we are beginning to see reflected in our hours data. That uncertainty, however, may create certain opportunities.”

ADVOCACY, POLICY WINS AND WORKFORCE COMMITMENT

SMACNA’s advocacy efforts, Hilger notes, remain steadfast. “Earlier this year, SMACNA fought hard to ensure that critical tax provisions, such as equipment expensing, bonus depreciation, 179d and SALT deductions were maintained



11 The United States is uniquely positioned to thrive in this environment, but only if we strengthen our workforce and maintain strong partnerships with Canada, Mexico and the rest of the Americas.” — Aaron Hilger

SMACNA President (now Past President) Tom Martin addressing the packed room at the SMACNA Annual Convention.

or approved. This benefits all of our markets.”

He commends Stan Kolbe and the government relations team for their dedication, as well as everyone who “met with members of Congress, both at home and in D.C. — your efforts helped secure those wins. Your generosity has pushed fundraising to its highest level. These contributions help keep SMACNA’s

voice strong where it matters most: on Capitol Hill,” Hilger says. But he’s clear-eyed. “Policy victories can only do so much if international uncertainty starts slowing the broader economy,” he adds. “Some customers are pausing projects because they cannot predict costs.”

Hilger points out that a skilled workforce is the foundation for growth. “America’s

future economic growth and expanded manufacturing base depends on having a growing skilled workforce.” Echoing last year’s Convention Speaker Peter Zeihan, he says, “The United States is uniquely positioned to thrive in this environment, but only if we strengthen our workforce and maintain strong partnerships with Canada, Mexico and the rest of the Americas.”



“Although you have big shoes to fill, I know you’re up for it. I’m looking forward to seeing how far you move your organization forward and what we can accomplish together.” – *Mike Coleman*

“Many members of our skilled workforce are nearing retirement age,” Martin adds. “We need to ensure that we continue to attract young talent with fresh ideas to our industry.” He cites Cleveland’s robust apprenticeship programs and the ongoing effort to offer both education and clear career pathways that are free of college debt and full of opportunities.

“Our national committees are focused on making noticeable progress,” Martin says. He encourages attendees to take advantage of peer groups and national committees, networks he credits with shap-

ing his own career and the success of his business.

FOSTERING PARTNERSHIP AND INNOVATION

Throughout the convention, partnership was a clear theme. Martin reflected on his year as president and the privilege of witnessing SMACNA members’ positive impacts across the nation’s communities. He credits his father, a Vietnam veteran, for inspiring his ethos of service: a mindset he carries at both T.H. Martin and to the SMACNA presidency.

He highlighted the collaborative relationship between SMACNA contractors and their labor partners at SMART. “We

need each other not only to survive, but to thrive,” Martin explains. “We must be realistic; management and labor will not always agree on everything. That’s simply not possible. However, instead of allowing minor disputes to escalate into nationwide challenges, we choose to engage with a focus on solving problems, not creating them.”

He thanked SMART General President Mike Coleman for a decades-long partnership built on trust and shared priorities. “Even when we disagreed, and there were certainly times when that turned out to be the case, we kept communicating with

SMACNA members enjoy the Awards Luncheon (bottom left), Maui views (bottom right).



the priority of industry first," Martin adds.

Hilger echoed this spirit, pointing to "collaboration in labor relations" as a real strength. "Our labor relations partnership with SMART is stronger than ever, helping us grow markets and deliver value," he says. "Initiatives such as the Megaprojects Task Force and targeted interventions are tangible examples."

OPTIMISM AND OPPORTUNITIES AHEAD

Despite slowdowns and headwinds, both Martin and Hilger strike an optimistic note.

"The opportunities on the horizon point to continued

growth in the years ahead," Hilger says. "The ongoing buildout of data centers and related energy infrastructure continues to generate enormous opportunity."

He highlights how new projects in power generation and manufacturing "are unlocking new investments," benefiting members across the industry.

The association itself is evolving. "Over the last three years, SMACNA has truly evolved. We have expanded our programs, strengthened our partnerships and improved communication across the board," Hilger notes.

As Martin passed the gavel to incoming President Todd

Hill, he says, "I have worked to make you proud not only of me, but of this association, and I hope that I have delivered on that trust."

As Todd Hill, President of Allen Park, Michigan-based Ventcon, accepted the gavel as the incoming SMACNA President, industry partners expressed enthusiasm at continuing great relationships with the association. As Coleman says, "Although you have big shoes to fill, I know you're up for it. I'm looking forward to seeing how far you move your organization forward and what we can accomplish together." ▼

SMACNA President (now Past President) Tom Martin addresses the record-sized crowd at the SMACNA Annual Convention.





Gary Myers, Scott Vidimos,
Todd Hill, Tom Martin and
Joseph Samia (left to right).

Introducing the 2025–2026 SMACNA Executive Committee

Todd Hill, President, Ventcon, Allen Park, Michigan

Scott Vidimos, President-Elect, Vidimos Inc., East Chicago, Indiana

Joseph Samia, Secretary-Treasurer, Central Consolidated, Wichita, Kansas

Gary Myers, Vice President, Intech Mechanical, Sacramento, California

Tom Martin, Immediate Past President, T.H. Martin Inc., Cleveland, Ohio

SMACNA Announces 5 New College of Fellows Inductees

Membership in SMACNA's College of Fellows is reserved for top industry professionals who have made significant contribu-

tions to advance the sheet metal industry, culminating in years of commitment, distinguished service and dedication.

Please join SMACNA in congratulating its five newest members in the distinguished College of Fellows:

John Franco, SMACNA National, Southport, North Carolina

Brian Fluetsch, Sunset Air, Lacey, Washington

Ken Groeschel, Jr., Butters-Fetting Company Inc., Milwaukee, Wisconsin

Kathy Kerber, KSM Metal Fabrication, Troy, Ohio

Tom Martin, T.H. Martin Inc., Cleveland, Ohio



Celebrating Excellence: Honors and Awards

A highlight of the SMACNA Annual Convention is the announcement of SMACNA's annual awards.

The 2025 SMACNA Contractor of the Year is B.J. Giri, Principal at Holaday-Parks Inc., Seattle, Washington. Giri entered the industry by accident during a random meeting while working in a downtown Seattle parking garage. Thirty years later, he has become an inspirational industry leader and an active member at SMACNA Western Washington. As SMACNA Immediate Past President Tom Martin says, "He lives his life by a simple yet poignant motto: 'Every day, thank someone, learn something, teach something and, most importantly, forgive someone.'"

Bob Pope, who recently retired as the Managing

Director of the Sheet Metal and Roofing Contractors Association of the Miami Valley in Ohio was named the 2025 SMACNA Chapter Executive of the Year. During his service in the industry, Pope built a reputation as a bridge-builder who values collaboration over confrontation and is regarded as one of the Midwest's top association executives. Working with his peers in Dayton, Ohio's Sheet Metal Local 24, Pope helped build and strengthen a training program that set a standard for integrity, accountability and innovation in the workplace. Sheet Metal Local 24 Business Manager Cole Chaney praises Pope's work. "Labor and management aren't opposing forces; when we work together, we're stronger," he emphasizes.

The Legislative Contractor of the Year award went to Matthew Sano of Fisher Balancing Co. SMACNA honored Sano for his tireless advocacy and bipartisan coalition-building.

SMACNA recognized Thomas S. Gunning III of SMACNA Boston Inc. as Chapter Executive Legislative Advocate of the Year for decades of successful legislative engagement.

And the Distinguished Legislative Service Award went to Tom Szymczak of SSM Industries, Pittsburgh, Pennsylvania.

Lastly, the Charles Corbett Excellence in Labor Relations Award went to John Itlen of Itlen's Inc., Cedar Rapids, Iowa, lauded for maintaining labor-management harmony through calm leadership and deep-rooted professional standards. ▼

Award recipients receiving their honors, including B.J. Giri (top left), Bob Pope (top middle), Matthew Sano (top right), Thomas Gunning III (bottom left), Tom Szymczak (bottom middle) and John Itlen (bottom right).



COVER STORY

P1 Construction Sets New Benchmark in Construction Safety with Dual Innovation Programs

SMACNA's 2025 Safety Innovator of the Year creates a safer, more supportive culture for workers.

P1 Construction receives the 2025 Safety Innovator of the Year award at the SMACNA Annual Convention.

Setting a new standard in construction safety by blending rigorous physical safety training with proactive mental health support, P1 Construction of Lenexa, Kansas, earned SMACNA's 2025 Safety Innovator of the Year Award.

The award, presented jointly by Vincent Neglia of Milwaukee Tool and Dave Szymanski of Federated Insurance, honors innovative ideas

that significantly improve safety culture and outcomes in the industry.

P1 Construction won for two key initiatives: the Second Orientation Program and the Peer Connector Mental Health Program. The Second Orientation targets a critical risk period by providing new hires a refresher safety training 60 days after they begin, addressing data showing nearly half of workplace accidents occur in the first year. This

helps reinforce safety knowledge and reduces early-stage incidents.

The Peer Connector Program offers voluntary, peer-to-peer mental health support, breaking stigma and ensuring judgment-free access to help. Trained employees serve as confidential resources, identified by special hard hats and branding, offering immediate assistance and connecting colleagues to professional support as needed. Inspired



by a P1 safety specialist and military veteran, this program addresses suicide prevention in both construction and veteran communities.

Don Campbell, P1 Vice President, says, "We always remain focused on our most important resources: the human ones. Through rigorous

daily checklists, mental health resources, training and mentorship, P1 leadership, from the top down, is committed to ensuring our associates show up mentally and physically prepared to make the best decisions every day."

In addition to the award, SMACNA and its partners

donated \$2,500 to The Battle Within, a nonprofit organization supporting veterans and first responders battling PTSD, chosen by P1 Construction. Michele Orpin, Director at The Battle Within, expresses gratitude for the donation. "Our entire team thanks you for this opportunity," she says. ▼

Meet the 2025 SMACNA Safety Award Winners

The SMACNA Safety Awards Program celebrates the commitment and inventive efforts of members to provide secure environments for their employees. The awards recognize past accomplishments, as well as inspire a future marked by a dedication to safety and health within the HVAC and sheet metal industry.

There are two award categories: Top Safety Performer and Zero Injury and Illness Incidence. All members achieving an incident rate of 50% better than the U.S. Department of Labor BLS incident rate for sheet metal contractors in the U.S. and the adjacent rate for Canadian members will receive certificates as elite safety performers. All members demonstrating an outstanding safety record with zero reported incidents in 2024 receive certificates for safety excellence.

The 2025 winners are:

TOP SAFETY PERFORMER AWARD:

Airco Mechanical Inc.
Bel-Aire Mechanical
Control Air Enterprises LLC
Couts Heating and Cooling Inc.
Dee Cramer Inc.
General Sheet Metal
Goyette Mechanical
Harder Mechanical
icon Mechanical
JH Kelly
Leo J. Roth Corporation
MacDonald-Miller
Marina Mechanical Services
P1 Construction LLC
Poynter Sheet Metal Inc.
SSM Industries Inc.
Streimer
Tweet/Garot Mechanical Inc.
U.S. Engineering Construction
W.E. Bowers

ZERO INJURY AND ILLNESS INCIDENCE AWARD:

A T Industrial Sheet Metal
Accu Flow Balancing Co.
Apollo Mechanical Contractors
Crystal Heating & Cooling Service Inc.

D|B Solutions LLC
Dynamic Balancing Co.
Evergreen State Heat & AC
Fisher Balancing Co.
G.E.S. Sheet Metal Inc.
H & R Mechanical Systems Inc.
Hays Sheet Metal Inc.
Hunter Mechanical
Intech Mechanical Co. Inc.
Johansen Mechanical Inc.
Just Right Heating & Cooling
Leibold Inc.
McGowne Ironworks LLC
Modern Controls
Neudorfer Engineers
Optimum Performance Balancing LLC
Ortiz Contracting Group
PM Contracting
Precision Air Designs Inc.
Prime Sheet Metal Inc.
Restaurant Ventilation Design
S & Z Sheetmetal Inc.
Scoggin Mechanical Industries Inc.
TAB Systems Inc.
Total Comfort Solutions, Inc.
Tri-State Roofing & Sheet Metal Co.
Van's Industrial Inc.



COVER STORY

On the Front Lines of Policy

Congressman Ed Case talks defense, dysfunction and the future of America's builders.

SMACNA's Director of Content Development and Media Relations Policy Seth Lennon interviewing Congressman Ed Case at the SMACNA Annual Convention.

When Congressman Ed Case sits down for a conversation at the Grand Wailea in Maui, it's hard not to feel the contrast between the island's serene beauty and the turbulent national issues he tackles daily. Case, who represents Hawaii's 1st District and serves on the powerful House Appropriations Committee, has spent his career navigating the space where global strategy meets on-the-ground impact. And for SMACNA members, his message is clear: "you're not just building facilities; you're reinforcing America's strength in a volatile geopolitical landscape."

Case has been a longtime ally to SMACNA, returning year

after year to connect with contractors who build and maintain the very infrastructure that keeps America secure.

This year, as he sat down with SMACNA's Director of Content Development and Media Relations Policy Seth Lennon for *SMACNews*, he unpacked the intersection of defense, construction, supply chains and governance at a moment he calls "deeply consequential."

BUILDING THE BACKBONE OF NATIONAL DEFENSE

Before diving into politics, Case wants to establish one essential truth: America's military strength depends on the private sector, especially the skilled contractors who build, repair and sustain the infrastructure of the armed forces.

"Hawaii is the center of the Indo-Pacific," Case explains. "Every single combatant command for the region is in my district. This is the front line of our country's defense."

That front line requires more than ships and submarines. It requires the places they live, train and maintain readiness, which makes up a sprawling network of facilities that SMACNA members help build.

As a former member of the Military Construction (MILCON) Subcommittee and now a senior member of the Defense Subcommittee, Case sees how essential high-quality construction is to deterrence.

"We completely rely on contractors for our national defense," he points out. "If a project doesn't work,



it's not just a hassle; it's a security risk."

In Hawaii alone, billions are being invested right now, including the largest Navy project in its history: a world-class dry dock at Pearl Harbor. It's infrastructure that will allow next-generation submarines and eventually larger ships to be repaired forward-deployed rather than traveling thousands of miles back to the mainland. That difference, he notes, could define readiness in a crisis.

A WORKFORCE WITH RANGE AND RESPONSIBILITY

For Case, the work happening in Hawaii is a microcosm of what SMACNA contractors deliver nationwide: a wide spectrum of industrial, commercial, residential and defense projects requiring deep expertise.

"You're building everything, including residences, commercial structures, industrial sites and critically important military facilities," he says. "That level of versatility and quality is not easy to find. But it's essential."

With more than 7,000 industrial workers at the Pearl Harbor Naval Shipyard and world-class contractors surrounding them, Case sees a model of what effective public-private part-

nership looks like when national security is on the line.

SHUTDOWNS AND THE COST OF DYSFUNCTION

Case warns that political dysfunction threatens everything from paychecks to national security. When he spoke with SMACNews in late October, the federal government was in the middle of another shutdown. His assessment is blunt.

"The biggest challenge is the political dysfunction in our country," he says. "We're living in two parallel universes. When the mindset becomes 'win it all or lose everything,' governing becomes impossible."

In Hawaii alone, a shutdown means 24,000 federal civilian workers and 48,000 active-duty service members going without pay. It jeopardizes procurement, contracts, planning and, ultimately, national security.

Case insists solutions exist and could be enacted "in one or two days," but only with functional, bipartisan cooperation. "We're better off solving our problems rather than chasing 100% wins that just kick the can down the road," he says.

TRADE AND TARIFFS

Few issues today affect contractors more than tariffs, and Case

doesn't mince words about their impact.

"I generally believe the world is better off with open, free trade," he says.

Isolationism, he argues, has never produced long-term success for the U.S., but he acknowledges that there are legitimate reasons for targeted tariffs, such as national security concerns or countering abusive trade practices.

The problem, in his view, is the blanket tariff policy.

"Across-the-board tariffs punish our allies, raise costs for everyone and create massive uncertainty, especially for construction," he warns.

For SMACNA members, that uncertainty hits bids, supply chains, costs and scheduling. It increases litigation and erodes predictability — critical components of construction planning.

And while the administration argues tariffs could revive American manufacturing, Case remains skeptical.

"It's going to take far more than tariffs for industrial America to come back," he says. "Trade policy needs nuance, not blunt instruments."

FINDING COMMON GROUND

Despite the political gridlock he describes, Case remains a pragmatic optimist. He's committed to "problem solver" approaches and believes bipartisan partnership is still possible and necessary.

"We have huge challenges: economic prosperity, global relationships, preserving Social Security and protecting our environment," he says. "All of them are solvable if we face them together."

According to Case, SMACNA members "are essential partners. Your success is critical not just for national defense, but for our country's overall strength." ▼

Congressman Ed Case with SMACNA's Executive Director of Government and Political Affairs Stan Kolbe.



When the Sky Isn't the Limit

Colonel Nicole Malachowski shows SMACNA how courage, change and gratitude can take leaders further than altitude ever could.

As a child in Santa Maria, California, Nicole Malachowski's fascination with aviation began after she saw an airshow. "Sometimes I wonder if it's weird that I declared at age 5 I wanted to be a pilot, and it actually happened," says the USAF Retired Colonel, her tone equal parts humility and steel. That relentless drive shaped her youth: soloing in a Cessna at 16, then earning her Air Force commission. "People looked at me and said there's no way I'd become a fighter pilot; it was against the law for women then. I found that made the dream more intriguing," she says.

As one of the first women to fly the F-15E in combat and the first woman Thunderbird pilot, Malachowski later led a squadron, flew 2,300-plus hours and 188 in combat, and managed resources exceeding \$1 billion.

So, when she takes the stage to speak, audiences expect tales of high-speed flight and military discipline. What they don't expect is how gracefully she links those stories to leadership, vulnerability and gratitude.

RISK, FAILURE & LEARNING
Malachowski's commitment to mastery is legendary, but she doesn't shy away from discussing setbacks. She recalls her earliest check ride as a pilot, which she failed due to a minor

but consequential mechanical oversight. "I went back to my dorm, devastated, and cried. I entertained quitting," Malachowski says. Her mentor's response reframed the experience. "She told me, 'Failure is the price of entry for achieving something great,'" she says. "Success is not born when you get things right; it's born when you move forward after failing."

For her, vulnerability is a source of power. "People think military culture is about the perfect persona, but the real essence of elite teams is vulnerability — being honest about mistakes and learning from them," she says. "When you demonstrate vulnerability, you empower your teammates to do the same. That builds trust, as well as loyalty and better performance."

A SEASON FOR CHANGE

The Colonel's message resonates deeply with SMACNA's changing industry, emphasizing adaptability, self-awareness and timing as critical leadership traits. She describes autumn as a metaphor. "Like trees that shed leaves in fall," she says, "we must let go of obsolete practices and embrace change. Healthy organizations make it through seasonal transitions by building psychological safety and supporting diversity, which helps teams become less resistant to change and more engaged in innovation."

Malachowski's personal journey from fighter pilot to leading national initiatives to surviving a devastating, career-ending illness adds gravity to her words about letting go and starting anew. "I was medically retired for a brain infection," she says. "I had to reinvent myself. 'Yield to overcome' became my mantra. It wasn't about quitting, but accepting what is and asking, 'What can I do to move forward from here?' The runway behind you is always unusable. All you have is the one ahead."

LEADING WITH PURPOSE

Malachowski's time with the Thunderbirds taught her to see a formation of six jets not as six aircrafts, but as "one aircraft and six people perfectly aligned."

"It's a mindset we all can adopt: the precision, the integrity and the trust in the person beside you," she says. "That's what makes great teams, whether in the air or on a construction site."

For an industry navigating its own headwinds — generational shifts, evolving technologies and the need for new talent — Malachowski's words carry more weight than ever. "Nobody wants to lead a scripted life," she says. "Leadership is about adapting to change, lifting others and never underestimating the power of gratitude and vulnerability." ▼

Retired Colonel Nicole Malachowski speaks to the SMACNA Annual Convention Keynote audience.

US Effective Tariff Rate on Imports



US Economic Policy Uncertainty and Capex Plans



COVER STORY

Uncertainty is the New Normal

Economist Rebecca Patterson warns that tariffs will rise and AI will reshape work as the economy enters uncharted territory.

Rebecca Patterson talks economy, tariffs and AI with the SMACNA Annual Convention audience.

Rebecca Patterson, a globally recognized investor and macroeconomic researcher, took the SMACNA Annual Convention stage at a tipping point in economic history.

This year, the challenges facing leaders in construction, procurement and business are sharper than ever, driven by rising tariffs, shifting policy and the accelerating march of artificial intelligence (AI).

Patterson, known for her tenure at Bridgewater Associates, Bessemer Trust and JP Morgan, as well as being included in American Banker's list of Most Powerful Women in Finance for six consecutive years, delivered both candor and clarity to an audience eager for direction.

2025: A YEAR OF RISK AND RESILIENCE

"Tariffs and related policies like export controls and countervailing duties are clearly the big issue this year for supply chains," Patterson says, underscoring both the uncertainty and inflationary pressures dogging businesses nationwide. "Prices will go higher — the question is not if, but exactly when and by how much." Her words resonate at a time when procurement and supply chain leaders are fielding confusion over exemption

levels and the political winds, with national economic emergency tariffs hanging in the balance.

When asked what keeps her up at night in 2025, Patterson is direct. "We have an uncomfortable number of questions that create risk for procurement leaders," says the current member of the Council on Foreign Relations, the Economic Club of New York and the Trilateral Commission. "What if America's national economic emergency tariffs are deemed illegal? What countries are at risk of seeing tariff levels changed or delayed again?"

Given these unknowns, she advises leaders to "avoid where possible the 'known risk areas' — both specific goods and countries in the White House's crosshairs — then stick to business as usual, purchasing what's needed."

THE DOUBLE-EDGED SWORD OF AI

Current conversations in boardrooms are equally focused on the bottom line and on workforce disruption, Patterson shares.

"Given changing cost dynamics, companies are searching for efficiency gains and other ways to manage budgets. This increasingly includes using AI to reduce needed headcount," she says.

She recently told Amazon's Business Reshape audience that companies faced with rising input and AI-investment costs, along with economic uncertainty, are "planning to scale back headcount going into 2026." In her words, "The bias is more job cuts are coming. The offsets are personnel."

LIVE DATA, MARKET MOVES AND UNCHARTED TERRAIN

Asked what indicators she watches closely, Patterson says, "labor-market data is top of mind. Fewer jobs would mean less spending, and that would flow through not just the U.S., but also the global economy."

She also points to the risk of politicized central banks, warning, "If the Fed becomes politicized, you risk unanchored inflation expectations, which hurts confidence, markets and consumers."

Still, Patterson tries to balance realism with resourcefulness. "The best approach may be to try to avoid known risk areas, but stick to business as usual otherwise," she advises.

If there's one message she hopes leaders remember, it's to pay attention, innovate and never bet purely on yesterday's playbook. At a "truly historic moment for the global economy," as she calls it, that advice is more urgent than ever. ▶



CHAPTER SPOTLIGHT: BRAZIL

Raising the Bar in Brazil

Inside SMACNA Brazil's mission to bring quality HVAC and cleaner air to the forefront.

SMACNA CEO Aaron Hilger with SMACNA Brazil Executive Director Edson Alves.

On any given day in São Paulo, Brazil, you might not immediately notice the HVAC systems humming behind the scenes of a high-rise office, a bustling hospital or a state-of-the-art lab. But to Edson Alves, Executive Director of SMACNA Brazil and CEO of Star Center, that quiet machinery represents a movement — one that's transforming building standards, educating an entire sector and rewriting what quality and professionalism mean for contractors across the country.

"When SMACNA Brazil was established, we already had existing associations focused on labor and government relations," says Alves. "So, we focused on a different mission: education, training and raising the standard for the entire HVAC industry."

In just five years, SMACNA Brazil has grown from six to 16 contractor members, with more expected to join this year. But Alves is quick to point out that this isn't about numbers.

"We don't just let everyone in," he says. "We want contractors who are serious about quality and committed to the

standards. We want them to represent what SMACNA is about."

That commitment to quality takes shape in multiple ways, starting with education. SMACNA Brazil translates complex technical standards into plain language that customers and non-engineers can understand — guides that help building owners make informed decisions, whether they're planning a retrofit or commissioning a new HVAC system.

"It's not just translating the standards," Alves explains. "It's explaining them in everyday terms. We want the



SMACNA Brazil's Annual Awards Ceremony.

end customer to know what a good installation looks like."

The chapter's education efforts stretch far beyond the contractor base. SMACNA Brazil hosts customer-focused events, publishes user-friendly guides and maintains close relationships with industry magazines to spread the message of quality HVAC. The group even organizes a course similar to a postgraduate program that is open to technicians, engineers and anyone interested in mastering the fundamentals of HVAC design, installation and commissioning.

"It's not just for engineers," says Alves. "We want to be inclusive and raise the technical knowledge of the whole market."

That inclusivity also shows up in SMACNA Brazil's focus on women in construction. On

International Women's Day, the chapter hosts breakfasts and networking events to connect and celebrate women working in HVAC, a field where their representation is still growing.

"We want women to feel like this is a space for them, too," Alves says.

SMACNA Brazil's education-first model also extends to biweekly technical training sessions held for member contractors. These one-to two-hour trainings are delivered by manufacturers and tailored to the engineers and technicians working on the ground. From filtration to fabrication, these deep dives keep the workforce up to date on the latest innovations and best practices.

But perhaps the chapter's most celebrated event is its Annual Awards Ceremony.

Each year, contractors submit their best projects for evaluation by a neutral committee of designers and engineers. Jobs are scored based on quality, innovation and energy efficiency. The event draws more than 500 attendees from across Brazil, and the winners are celebrated with full video showcases and an Oscar-style ceremony.

"We want to recognize excellence," Alves says. "It's not just about showing off; it's about inspiring others to reach that level."

The chapter's work has even gained international recognition. One award-winning hospital project received accolades not only from SMACNA Brazil but also from ASHRAE in the United States. Alves says that kind of cross-border validation helps reinforce the



value of SMACNA standards in the global arena.

The chapter also collaborates closely with Brazil-based universities, especially those with strong engineering programs, to introduce students to the HVAC and sheet metal industry.

"A lot of engineering students here still don't really know what HVAC is or what we do," Alves says. "We're changing that."

In a country where air conditioning is still less common in homes and not fully understood by many end users, SMACNA Brazil's mis-

sion is especially urgent. The COVID-19 pandemic brought indoor air quality into the spotlight, and the chapter has been pushing to make that awareness stick.

"We want people to know what's happening behind the ceiling," Alves says, adding that these things matter. "Clean air matters. Design matters. Standards matter."

SMACNA Brazil might be made up of just two full-time staff members and a small group of committed contractors running the chapter day to day, but the impact stretches far beyond

just the organization's numbers.

"We are small, but we are focused," Alves says. "We believe education and high standards can lift the entire HVAC and sheet metal market."

That belief is catching on. Whether it's through translating technical documents into tools for better building decisions, partnering with universities or showcasing award-winning projects, SMACNA Brazil is doing more than representing contractors. It's raising the bar for what HVAC can and should be in Brazil and beyond. ▼

Speakers and members at SMACNA Brazil's Annual Awards Ceremony, including SMACNA CEO Aaron Hilger (top right).



CAPITOL HILL UPDATE

Navigating Tariffs, Tax Incentives and Workforce Priorities

Ongoing legislative developments and regulatory actions at the federal level continue to shape the competitive landscape, costs and project opportunities for HVAC and sheet metal contractors.

TARIFFS AND MATERIAL COSTS: A MAJOR CHALLENGE AMID SUPPLY CHAIN UNCERTAINTY

Tariffs remain a significant factor destabilizing supply chains and materials costs crucial for HVAC and sheet metal work, such as aluminum. Recent tariff hikes, notably influenced by the Trump administration's legacy policies, have increased market uncertainty and served largely as hidden taxes inflating input costs for contractors. Analysts warn of ongoing price instability due to limited domestic capacity for critical metals.

To mitigate tariff impact, contractors might rely on several contractual and regulatory tools under the Federal Acquisition Regulation (FAR). For example:

- FAR 52.229-3 allows contract price increases to reflect newly imposed federal taxes such as tariffs, provided such taxes were not anticipated in bid pricing.
- Economic Price Adjustment clauses (FAR 52.216-4) could enable contractors to request price revisions if material cost indices rise due to tariffs.
- Those working under flexibly priced contracts can seek cost recoveries consistent with FAR 31.201-2 rules, which define allowability and allocability of such costs.
- Practically, contractors are advised to pre-purchase materials where feasible, identify domestic suppliers, update contract pricing provisions to accommodate cost passes and scrutinize existing

agreements for tariff-related relief or escalation clauses. These steps are vital to protect margins amid ongoing tariff volatility.

LEGISLATIVE MOMENTUM ON TAX INCENTIVES BOOSTS ENERGY EFFICIENCY PROJECTS

Several key tax provisions favorable to HVAC and sheet metal contractors remain on track or have been extended through bipartisan efforts under the House-passed H.R. 1 and related reconciliation packages. These include:

- Section 179D Energy Efficient Commercial Building Deduction allows up to \$5 per square foot deductions for energy upgrade work in new or renovated projects. This incentive supports contractors specializing in energy-efficient systems.
- Bonus Depreciation and Section 179 Expensing enables faster write-offs for equipment and property investments, which can improve cash flow for contractors upgrading fleets or tooling.
- Advanced Manufacturing Investment Tax Credits (boosted from 25% to 35% tied to CHIPS Act-facilitated domestic facility expansions open opportunities on construction projects supporting semiconductor and clean energy manufacturing.
- 45Q Carbon Sequestration and 45U Nuclear Energy Credits provide indirect support to contractors involved in cutting edge clean energy infrastructure. While a political tug of war persists between House and Senate over the full package with Senate pushing back on some health and deficit elements, the energy-related tax incentives critical to HVAC and sheet metal scopes are expected to

be preserved and potentially expanded in upcoming 2026 tax extender bills.

WORKFORCE DEVELOPMENT AND LABOR STANDARDS REMAIN A PRIORITY

SMACNA advocates continue pressing Congress to bolster workforce development through support for Registered Apprenticeship Programs (RAPs) and enforcement of prevailing wage laws critical for union contractors. These efforts align with the demand for a highly skilled workforce capable of meeting technical challenges posed by advanced energy efficiency and federal infrastructure initiatives.

Efforts to close employee misclassification loopholes and promote Project Labor Agreements (PLAs) drive policy aims to level the playing field and protect contractor competitiveness and labor standards.

ENERGY AND INFRASTRUCTURE INVESTMENTS FEED PROJECT OPPORTUNITIES

Massive federal investments under the Inflation Reduction Act (IRA), the expanded 35% tax credit within the CHIPS and Science Act and the bipartisan Infrastructure Law continue to catalyze large-scale construction projects, from energy-efficient buildings to advanced manufacturing plants.

Despite some delays and freezes on approved projects due to budget office constraints and legal challenges, the general outlook for CHIPS and data center projects is positive. These initiatives continue to generate sustained demand for HVAC and sheet metal contractor services, particularly for energy-efficient terminal upgrades in transportation hubs, commercial retrofits and new clean energy facilities.

POLITICAL ENGAGEMENT AND ADVOCACY MOVING FORWARD

SMACNA's political engagement efforts continue to emphasize growing bipartisan support on Capitol Hill for policies that advance contractors' economic interests. The outlook stresses building a strong, engaged coalition of legislators to embrace key industry priorities, tax incentives and favorable regulatory frameworks.

SMACNA is expanding efforts at the state and local level, promoting far greater legislative outreach, education and targeted advocacy to complement federal actions.

Contractor members have been encouraged to actively become "legislative ambassadors" and participate, as well as share updates and insights to reinforce SMACNA's industry voice in policy-making venues.

Contractors who stay informed and engaged with ongoing political developments, workforce initiatives and evolving contract rules will continue to be best positioned to safeguard profitability and capitalize on the transformative projects defining the industry's future.

If you have questions, contact the SMACNA Government Affairs team.



Stan Kolbe and Denise Murphy McGraw update SMACNA members on government and political affairs at the SMACNA Annual Convention in Maui, Hawaii, in October.



DUCT & DATA

Travis Voss

The Majority of SMACNA Members Need a CTO

Conferences across construction and fabrication are full of talk about analytics, metrics and KPIs. The phrase “what gets measured, gets managed” is everywhere, but that leads to better questions: What exactly are we measuring? How do we decide which numbers matter most? How do we know if we are improving?

There is no single right answer. Every shop, project and company has its own priorities. The real goal is consistency. Measure something, measure it the same way every time and review it regularly. Over time, those consistent measurements become a mirror that reflects both progress and weakness.

Many shops track familiar metrics such as pounds per hour, weld inches, lineal feet, machine utilization or ratios of fittings to straights. These provide a snapshot of productivity and can be tracked across time. But they also have limits. Increasing coil line output might look like a win, but if that creates a bottleneck in assembly or shipping, what did you really improve? Metrics can highlight success, but they can also hide inefficiencies elsewhere in the system.

The danger lies in using isolated numbers as if they tell the whole story. Real insight comes from connecting each metric into the total workflow. When viewed together, performance patterns emerge. A spike in one area might explain a slowdown in another. That bigger picture is where true improvement happens.

Early in my construction technology career, I chased point solutions. Each one solved a narrow problem, such as spooling, tracking or reality capture. Each win felt like progress, but every fix revealed a new issue downstream. The problem was that those tools worked in isolation. Today, software platforms connect estimating, coordination, fabrication, logistics and installation. For the first time, we can see the whole system. That visibility means our measurements must evolve as well.

Systems thinking changes the question from “Are we improving this step?” to “Does this change improve the entire process?” Poorly chosen metrics can drive behavior that looks productive but hurts overall flow. When people chase numbers that do not align with

company goals, they can optimize for local success instead of overall health.

Revenue is a good example. It is easy to compare and feels like growth, but it is not always meaningful. High revenue does not guarantee profit or stability. Chasing top-line growth through low-margin work can drain cash and morale. For fabrication-heavy firms, better indicators might include less rework, higher field productivity from better shop output, or a growing share of projects that use your prefabrication strengths.

Once the right metrics are in place, benchmarking gives them value. Tracking your own results over time shows progress and reveals backslides. Comparing to peers adds context. Peer groups are especially valuable because they define metrics collectively and share results openly, making comparisons fair and useful.

Benchmarking should not be about competition for its own sake. It should provide perspective. It shows whether your systems can scale, whether your profit margins are in line with peers, and where you can improve.

Metrics also drive alignment. What you choose to measure tells your teams what matters most. It connects daily work to company goals and helps people see how their efforts contribute to progress. When the wrong metrics are emphasized, they can confuse or demotivate, pulling teams in opposite directions.

Metrics are a mirror. They reflect your priorities, your values and the health of your company. Like training at the gym, progress takes time and consistent effort. The results appear slowly, but they build into something powerful.

So, ask yourself: Are you measuring what truly matters? ▼

Travis Voss is the Director of Innovative Technology and Fabrication at SMACNA. He leverages his background in the tech field to explore, adapt and potentially develop technologies and workflows for the construction industry, particularly as it undergoes its digital transformation.



FINANCIAL STEWARDSHIP

Ronald J. Eagar

The ROI of AI in Construction: A Financial Perspective

Contractors are increasingly presented with AI-powered tools marketed to boost efficiency and reduce risk. These technologies are gaining traction across the industry, but one critical question remains: When will the investment deliver measurable returns?

The answer is rarely straightforward. Unlike equipment with predictable depreciation schedules, AI delivers value incrementally. Upfront costs, such as data system upgrades, staff training and cybersecurity investments, are relatively easy to quantify. The returns, however, combine traditional financial metrics with harder-to-measure organizational benefits. Knowing what to track and when is essential.

TRACKING THE ROI OF AI OVER TIME

AI's financial impact develops in phases. Contractors can assess results by tracking specific indicators at each stage.

Quick Wins (0-6 Months)

Early gains often appear in operational efficiency:

- Automation of routine tasks, such as data entry, reporting and scheduling, frees teams to focus on higher-value activities.
- Back office improvements, including faster billing and invoice processing, shorten payment cycles and reduce errors. These enhancements improve cost tracking, strengthen cash flow visibility and improve forecasting confidence.
- These initial efficiencies lay the foundation for deeper insights. As AI systems begin to learn from project data, contractors can expect more predictive capabilities to emerge in the months ahead.

Emerging Patterns (6-12 Months)

As systems mature, their predictive abilities show measurable impact:

- **Schedule Variance:** Comparing planned and actual completion dates shows whether AI is reducing schedule variance and helping mitigate delays.

- **Safety Metrics:** Wearables and video analytics should reduce incidents, near misses and lost workdays.

- **Rework and Change Orders:** Reality capture and BIM integration catch design conflicts earlier and reduce costly mid-project revisions.

As AI systems continue to learn and refine their outputs, the accumulated data begins to support more confident forecasting and strategic decision-making.

Strategic Gains (12-24+ Months)

With more data and operational experience, AI forecasts become more dependable:

- Improved forecasting leads contractors to steadier margins, stronger cash flow predictability and fewer emergency expenses.
- Long term planning benefits from disciplined resource allocation and better decision-making across multiple project cycles.
- The workforce impact is equally important. By simplifying workflows and reducing administrative burdens, AI can improve morale, engagement and retention. In today's competitive labor market, keeping skilled professionals delivers value that rivals financial returns.

THE BOTTOM LINE

While the path to ROI requires patience, AI will not deliver an overnight transformation. It requires investment, discipline and a broader definition of success than quarterly results alone. Contractors who track the right indicators and allow systems time to learn typically discover value that compounds over time. The real question is not whether AI delivers ROI, but whether companies are prepared to measure it on the proper timeline. ▼

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

"The question isn't whether AI delivers ROI, but whether companies are prepared to measure it on the proper timeline." —Ronald J. Eagar



LEGAL

Grant Collins

Appeals Court Upholds Minnesota's Construction Worker Misclassification Law

On Oct. 24, the U.S. Court of Appeals for the Eighth Circuit issued a decision that should be viewed as a meaningful victory for responsible union construction contractors. In Minnesota Chapter of Associated Builders & Contractors v. Blissenbach, the court affirmed a lower court's refusal to block Minnesota from enforcing its construction worker misclassification law.

Minnesota's 2024 law imposes a 14-factor test that must be satisfied for a worker to be treated as an independent contractor in the construction industry.

This is good for union contractors. It reaffirms a state's authority to regulate labor standards within the construction industry and prevents contractors who misclassify workers from gaining a competitive advantage by avoiding payroll taxes, insurance obligations, wage protections and collective bargaining responsibilities.

MINNESOTA'S CONSTRUCTION WORKER MISCLASSIFICATION LAW

Effective March 1, Minnesota's comprehensive 14-factor independent contractor test applies exclusively to workers engaged in commercial or residential construction or improvement services. To be considered an independent contractor, an individual operating as a business entity must meet all 14 criteria, including

- Business Independence** – The business entity must be established and maintained separately from the contractor hiring it and must provide services to multiple clients or the general public.
- Operational Capacity** – The business entity must own or lease tools, equipment, vehicles or facilities necessary to perform the work.
- Legal and Tax Compliance** – The business entity must hold any required MN or federal tax ID numbers, receive and retain Form 1099s when applicable, file business or self-employment tax returns and provide a W-9 when required.
- Regulatory Compliance** – The business entity must carry workers' compensation insurance (if required), a Minnesota unemployment insurance account (if required) and any required business licenses and certifications.

- Contractual Requirements** – The business entity must perform work under a signed and dated "written contract" that is "fully executed" within 30 days of starting work, "identifies the specific services to be provided or performed" and "provides for compensation from the person for the services provided under the contract on a commission or per-job or competitive bid basis."
- Payment and Invoicing** – Payment must be made only upon invoices submitted in the name of the business. Cash payments do not qualify.
- Control and responsibility** – The contract must give the business entity control over the means and methods of performance, and the entity must be responsible for completion of the work and liable if it is not completed.
- Risk of Profit or Loss** – The entity must be able to realize a profit or suffer a loss depending on performance and expenses.

Failure to satisfy even one of the 14 factors results in the worker being classified as an "employee" and not an independent contractor under Minnesota law. The Minnesota Department of Labor and Industry ("DLI") and the Minnesota Attorney General have enforcement authority. There also is a private right of action, through which a misclassified individual may seek compensatory damages.

The law also authorizes discretionary civil penalties that may include:

- Up to \$10,000 per misclassified worker
- Up to \$10,000 per violation of the law's disclosure and classification requirements
- A penalty of \$1,000 per day for obstructing a Minnesota DLI investigation

Individuals who knowingly or repeatedly engage in any of the prohibited activities may also be held liable.

BOTTOM LINE

Expect more states to look to Minnesota's law as a way to stamp out fraud in the non-union construction sector, level the competitive playing field and ensure that workers receive legal wages, benefits and protections. ▼

Grant Collins is a specialist in labor and employment law at Felhaber Larson. Reach him at gcollins@felhaber.com.

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SMACNA CALENDAR

2026

JANUARY

January 12-13
2026 Safety & Health Conference
Austin, Texas

January 14-15
Collective Bargaining Orientation
Tempe, Arizona

January 20-22
SMACNA-SMART Joint Exhibitor Booth:
Roofing Expo
Las Vegas, Nevada

January 26-28
2026 MEP Innovation Conference
Austin, Texas

FEBRUARY

February 2-4
2025 AHR Expo
Las Vegas, Nevada

February 8-11
Project Managers Institute
Dallas/Fort Worth, Texas

February 8-10
Chapter Executives Institute
Orlando, Florida

MARCH

March 2-4
Supervisor Training Academy
Orlando, Florida

March 23-24

New Chapter Executive Orientation
Chantilly, Virginia

March 23-26

Business Management University
Phoenix, Arizona

March 25

Strategic Planning Facilitator Training for Chapter Executives
Chantilly, Virginia

APRIL

April 12-14
2026 SMACNA Fab Forum
Chicago, Illinois

April 26-29

Senior Project Leadership Institute
Rosemont, Illinois

MAY

May 31 - June 2
Council of Chapter Representatives Meeting
Quebec City

JUNE

June 7-10
Project Managers Institute
Boston, Massachusetts

OCTOBER

October 25-28
2026 SMACNA Annual Convention
Orlando, Florida

SMAC

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