SMACNA Lobbies for Pension Reform

SMACNA made a return visit to Hill to persuade lawmakers to gain support for legislation that would enable pension trustees to make the necessary changes to their pension programs to ensure their plans are properly funded for today and for future generations of construction workers.

Leading the effort was SMACNA’s Dana Thompson who was joined by SMACNA Mid-Atlantic Chapter President Kathy Bigelow, Comfort Control’s Kristy Nicholson, CMC Sheet Metal’s Geoff Parks, Bill Johnson (Iowa Contractor), John McKenney (Georgia Contractor), John Ilten (Iowa Contractor), and SMACNA Mid-Atlantic’s Bernie Brill.

The group met with Maryland Senator Ben Cardin; Senate Finance Committee Chairman Charles Grassley (Iowa); Chris Allen, Chief of Staff on Pensions; Paul Lapointe, Legislative Assistant for Pension Benefit Guaranty Corporation (PBGC); along with other key aides.

SMACNA’s representatives were told that the Senate leadership understands the issue and the need to make the PBGC fully funded. There are some large pension plans expected to default possibly by year-end. However, the government is looking at increasing the insurance premiums from $25 per participant to possibly as much as $100 per participant annually as part of the rescue plan.

Secondly, lawmakers want the goal of every plan to have the funds 120 percent funded so they can withstand downturns in the economy and a fluctuating stock market.

SMACNA has been leading the way in proposing a composite plan which is a hybrid approach that combines features of defined benefit and defined contribution plans. For employers, composite plans would offer several advantages over the customary defined benefit plans. For example, employers would not have to pay withdrawal liability when leaving the plan and the plan would not have to pay PBGC insurance premiums. In addition, the likelihood of stable contributions likely would be an attractive feature.

Retired participants in composite plans would receive monthly benefit payments. However, the benefit payment amount could increase or decrease, depending on the investment experience of the plan. The composite plan proposal contains a process to address situations in which plan assets fall below 120 percent of plan liabilities, such as could occur if there were investment losses.
President’s Column
Kathy Bigelow
Chapter President
Comfort Control, Inc.

What an amazing year it has been! 2019 has simply flown by and our company, like many of yours, has been working long hours just to keep up with demand.

Just as businesses are working hard during this period, our chapter offered up a full menu of fabulous educational and social events during the past year. You may recall seeing or participating in the June fishing trip on the Chesapeake Bay; a trap and skeet shooting event; our annual meeting and luncheon in September; and the Chapter Night in Austin during the Annual SMACNA Convention! All were well received, well attended, and well planned.

At the same time, our chapter was involved in co-hosting Industry Night on the Terrace in Baltimore and two educational programs featuring Nic Bittle. Kevin Daugherty was also here to conduct a foreman training program and of course attorney Julie Redding conducted a seminar on business owners and managers need to know about sexual harassment.

In May our chapter hosted SMACNA President Nathan Dills and President Elect Angie Simon, (who is now the current president) along with SMACNA CEO Vince Sandusky. It gave our membership the opportunity to hear first-hand from our association leadership as to what the organization is doing and provide input to our national leaders on matters that are of interest.

Just a few weeks ago I along with other SMACNA members and staff spent the day on Capitol Hill personally meeting with key law makers on matters that are of importance to our industry (see page 1). Topics included pension reform, worker misclassification, and workforce development.

Our chapter’s “Choose Bigger” apprenticeship recruitment effort has taken off as there have been eight plant tours for students, educators, administrators, and legislators this year alone! And although this program is still in its infancy, the results are so far amazing! People are seeing and reading about careers in HVAC sheet metal, estimating, welding, CAD, air testing and balancing; and are seeking more information. In fact, quite a few have signed up, taken the admissions test, and are embarking on careers in our industry. Our recruitment program is designed to target intelligent and productive candidates into the apprenticeship.

Our chapter staff is building solid relationships with the faculty and staffs at key community colleges, high schools, and even local universities. These efforts will pay dividends for our members for years to come.

But there is no let up in our efforts help you, our members, in growing your individual businesses. Our Education and Training Committee is reviewing a variety of options for 2020 and you will be hearing more about that very soon.

To assist Washington area contractors with the upcoming 401(k) audit, William C. Earhart’s Vice President of the Midwest Region Laurie Mele will be in our office on December 13th to brief members regarding compliance.

On February 25—26 the Partners in Progress Conference is taking place in Las Vegas, Nevada. This event brings together local and national SMART Union leaders and contractors. All contractors are invited to attend. Coming up next year is the expiration of our collective bargaining agreement with SMART Local 100. Our Labor Committee will be sitting down with SMART Local Union 100 leaders to work out a new agreement. Hard work, but every effort will be made to get it done.

In 2020 I urge all of our members to take an active role within SMACNA. It is our organization and up to us to make sure it delivers the programs and services our contractors desire. Feel free to contact me or our staff to discuss your interests and involvement.

And in closing, I wish all of our members, associate members, industry friends, and colleagues all the best for the holidays and a very successful 2020!
ACE Representatives Meet with DC City Council Members

On October 17th representatives from the Alliance for Construction Excellence (ACE) met with Washington, D.C. City Council members to focus on local legislative matters. Of particular interest to the group was Transparency, Indemnity, and Employer Misclassification. All three issues were substantial concern as they affect all subcontractors.

Although the city has passed legislation requiring general contractors to post on a website when they get paid on city work, it does not require them to list their bonding company. The law states that the general contractor has seven days to pay his subcontractors unless there is a dispute. ACE is asking that the general contractors post the name of the bonding company along with their address and phone number.

When it comes to indemnity, contractors are accustomed to accepting a certain amount of risk. Currently, general contractors or owners require a “Waiver of Subrogation” to be included with the certificate of insurance. A Waiver of Subrogation is an endorsement that prohibits an insurance carrier from recovering the money they paid on a claim from a negligent third party. An owner or general contractor may require this endorsement from their vendors to avoid being held liable for claims that occur on their jobsite.

The way the law is currently written, it states that the subcontractor will not enforce their right to recover if their employee is injured on the job by the negligence of the owner, contractor, or other subcontractor. Many states have enacted legislation that addresses at least some of the issues in shifting the burden of liability to a subcontractor.

Forty-three states have some form of law which prohibits a construction contract that requires a subcontractor to indemnify another party for its negligence (but some of these states limit the application of the law, for example, only to public projects). Currently in the District, the contractor is forced to pay for accidents and injuries that were not caused by their actions. This has serious implications as it raises the Experienced Modification Rate (EMR) which dictates how much the contractor pays for Workman’s Compensation insurance. Subsequently, the more accidents a company has, the higher the EMR resulting in increased insurance premiums.

While the city passed legislation many years ago on worker misclassification and wage theft, these laws need to have greater enforcement if they are to be effective.

D.C. Council Members in attendance were Chairman Phil Mendelson, Vincent Gray, Anita Bonds, Brandon Todd, Robert White, and Brianne Nadeau. ACE organizations in attendance included SMACNA Mid-Atlantic, NECA Washington, MCAMW, Iron Workers Employers Association, and ACE’s D.C. Advocate Warner Session.

MCAMW/SMACNA/NECA Symposium & Expo

Construction industry leaders gathered at the North Bethesda Marriott & Conference Center on Wednesday, November 13 for a day of meetings, seminars, and trade show exhibits. Kicking off the program was Maryland Lt. Governor Boyd Rutherford who was elected with Governor Larry Hogan in 2014 and re-elected in 2018. He acknowledged the work of the construction industry and expressed his appreciation for all that it contributed to the state.


Following the seminar the tradeshow opened its doors to some 40 exhibitors and associations including H&B Engineered Products, HavTech Air Distribution, Milwaukee Electric Tool Corporation, SMACNA Mid-Atlantic, Stromberg Metal Works and many others.
Nic Bittle Seminar - How to Build a Mentorship Program That Sticks

On Thursday, November 7, at the Tommy Douglas Conference Center in Silver Spring, Maryland Nic Bittle gave a powerful session on mentoring multiple generations of workers. This event was a coordinated effort between MCAMW, NECA and SMACNA.

Bittle explained the importance of being genuine and also getting to know your employees. This requires dual respect, empathy, courage and trust. For those about to take on a supervisory position it would be a good idea to have them learn from a high performer. This is a great example of on-the-job training for the next stage of their career.

Bittle also reinforced an environment of praise as a way forward rather than resorting to an environment of negativity and criticism. “You can build your next generation of skilled professionals up—or tear them down,” stated Bittle. A small investment in effort will create loyal and devoted employees for years!

Southland Industries Tour—Phelps Architecture, Construction and Engineering High School (D.C.)

Southland Industries and SMACNA Mid-Atlantic hosted a tour for Phelps’ seniors on Thursday, November 14 in Laurel, MD. In an effort to recruit top candidates with the Choose Bigger recruitment program a total of 17 students and three teachers attended the tour. Additionally, a Maryland Department of Labor representative and Local 100 representatives were present.

Southland Construction Manager Rob Delawder was an integral part of the tour and offered sage advice, career planning and answered questions.

The Phelps’ group saw the inner workings of Southland Industries from estimating, planning, project management to fabrication on the shop floor.

Southland employees were engaging, helpful and served as wonderful ambassadors for the industry. This positive environment opened up great discussions moving forward during the tour. Kelton Addison, Maryland Department of Labor, stated “I was thoroughly impressed with the tour and the commitment to provide information and opportunities.” A successful tour and outreach event overall.

W.E. Bowers Tour—Howard County Public Schools Applications and Research Laboratory (ARL)

On Thursday, November 21 W.E. Bowers and SMACNA Mid-Atlantic conducted a tour for a group of 11 students and two school faculty. The ARL is consortium of students throughout Howard County. These students were highly driven, all had welding experience and all wanted to pursue engineering or technology based professions.

Tom Killeen, a Local 100 representative, was also present for the tour. W.E. Bowers staff did a fantastic job explaining the operations of the company, career paths and opportunities. These staff members were also very personable and facilitated ongoing discussions and interest. These ARL students also had discussions with planning, project management, CAD specialists and others.

The tour on the manufacturing floor opened their eyes to the overall teamwork required on a day to day basis. Howard County CTE Director, Stephanie Discepolo was extremely impressed and wants to arrange for more Howard County students to enter the sheet metal industry through internships and apprenticeships. This is the sixth tour in 2019 with one more remaining in December at ADJ Sheet Metal.