Senate Passes Small Business Loan Revamp, Overcoming Resistance

The Senate passed legislation to ease restrictions on emergency small business loans intended to avert mass layoffs during the pandemic, sending the first major overhaul of the program to President Donald Trump for his signature.

The bill, passed by unanimous consent, would relax rules under the $670 billion Paycheck Protection Program to give borrowers more time to spend the money and use it on a broader set of expenses while still qualifying to have the loans forgiven — a key feature offered in exchange for employers maintaining payrolls. The House last week passed the bill in a 417-1 vote.

Passing the bill proved to be a challenge for Senate Majority Leader Mitch McConnell and Minority Leader Chuck Schumer. Republicans including Sen. Ron Johnson (R-Wis.) resisted at first, with Johnson on Wednesday blocking an initial attempt by Schumer to pass the bill unanimously and demanding assurances about the legislation's intent. He dropped his objections later in the day, allowing the Senate to quickly pass the bill and send it to Trump.

"We can't wait any longer," Schumer said on the floor. "Businesses are really suffering for lack of these changes."

The legislative slowdown was the latest cloud of uncertainty over the popular Paycheck Protection Program, which has approved more than $510 billion in loans despite a rocky rollout. But passage of the legislation will likely help ease fears among businesses that they will be stuck with the debt because of worries that requirements to have the loans forgiven are too burdensome.

The bill would also give businesses greater flexibility in where they use the money by lowering the amount they must spend on payroll to qualify for full loan forgiveness — to 60 percent instead of 75 percent.

But the pleas for flexibility ran into complaints from some Republicans that the House bill would keep the program alive for too long and that the aid has gone to businesses that didn't need it.

Johnson stood in the way of the bill after publishing a Wall Street Journal op-ed in which he said "a significant number of businesses that weren't in danger of going under also received these grants."

"Congress also should enact reforms that will prevent future funds from flowing to organizations that don't need them," he wrote. "This crisis is far from over, and pressure will build to authorize even more spending. Our ability to expand federal debt is not unlimited. Any funding must be carefully distributed."
President’s Column
Kathy Bigelow
Chapter President
Comfort Control, Inc.

No one has to remind us that these are strange and challenging times we are living through. Having recently experienced an economic recession, a hotly contested presidential election, a World Series Championship, and now a pandemic, it is no wonder many of us are exhausted both mentally and physically! How many of us would have guessed at this time last year that the country would have been forced to shut down in the midst of an economic boom only to now witness skyrocketing unemployment, empty grocery shelves, and long lines for food.

The uncertainty of the times and the inability to plan, places a heavy burden on business. While federal, state, and local governments have offered a variety of programs to ease the pain, I think everyone is asking when will this end and how? I know that within our industry, companies have had to make costly adjustments to their routine work day. Not only are we having to provide more personal protection equipment, but many companies have been forced to change the make up of the work crew. In some cases workers are no longer allowed to travel together in the same vehicle to the job site.

New laws require employers to provide more frequent cleanings of the job site, health screenings, sanitizers, how the tools are handled, and much more. Yes, all of this decreases our productivity and takes away from the bottom line by causing additional delays while adding to the expense side of the profit and loss statement.

At a special meeting of our Board of Directors on June 3rd, it was suggested the association look at aiding members who may be experiencing hardship during these times. To provide some relief, the Board approved a measure that would suspend the SMACNA Sheet Metal Industry Fund and the SMACNA Apprenticeship Recruitment Fund payments for July and August. This will mean a savings of $0.26 per hour on all hours worked during this two-month period. (Contractors are still required to submit their reports and pay the $0.13 per hour to SMACNA Mid-Atlantic which gets forwarded to our national organization).

Of course everyone is looking ahead to getting back to “normal” and your association is no exception. SMACNA Mid-Atlantic is anxious to resume its full schedule of educational seminars, committee meetings, networking events, tradeshows, and apprenticeship recruitment activities.

You will see on page three of this newsletter information about a new energy program that may generate some significant savings on your utility bills. SMACNA Mid-Atlantic is partnering with FESCO Energy in helping members add to their bottom line. At no charge or obligation, FESCO will evaluate your company’s energy usage and let you know that by pooling our purchasing power how much you can expect to save.

As I write this column labor negotiations are underway for the Washington, D.C. and Richmond, Virginia areas for a new collective bargaining agreement. This is difficult work and our committees are working closely with SMART Local 100 leaders in hammering out new agreements that will be fair and reasonable for everyone.

Usually at this time of year we are encouraging our members to register and attend the annual SMACNA Convention. However, due to health and safety concerns SMACNA this year will instead deliver The SMACNA Edge Conference: A Virtual Education Forum to help you and your business successfully navigate these uncertain times.

SMACNA is working with members, industry partners, service providers, speakers, and many others involved in the production of the convention to convert our largest event of the year into The SMACNA Edge Conference, a digital educational experience providing high value to SMACNA’s members and their staff. New registration information, sessions, and events will be shared in the coming weeks. For more information, please go to www.smacna.org.

In closing, I wish you and your families a safe and healthy July 4th holiday. Of course, at anytime should you have questions please reach out to our office or give me a call.
Potential Savings with a New Energy Program from Associate Member FESCO Energy

SMACNA Mid-Atlantic is partnering with FESCO Energy on a new member savings program. This program enables companies of any size to save money each month. This Combined Energy Account® (CEA) is under a Strategic Energy Procurement effort with FESCO Energy LLC.

The CEA® serves as an established way to lower energy purchases (electric and gas) and participating members receive rates based on the aggregate value of the combined purchase. When more energy is purchased – the better the rates.

Since energy is a commodity, the purchasing power for many customers will always achieve the most competitive rates.

Imagine…a cost savings program that keeps more money in your company each month. Energy is needed to power your facility each day, so at least ensure your organization is running as efficiently as possible.

Best of all – this is a No Cost No Obligation energy evaluation for your company!

Below are three easy steps to get started:

STEP 1 – Request a Letter of Authorization (LOA)* form from: commodity@fescoenergy.com. Then return the completed form to this same email address. Additionally, you can send the form to: 7470 New Technology Way, Suite A, Frederick MD 21703. You will receive confirmation of receipt from FESCO.

STEP 2 – Within two days, a customized energy rate will be provided to you. If the rate is acceptable to you, move to Step 3.

STEP 3 – Upon your decision to move forward with the supply agreement, start and end dates, and rate(s) are deemed acceptable to you; execute the contract and begin your supply agreement.

FESCO Energy Specialists are available to answer any questions: (201) 995-4470

Microsoft to Establish New Tech Hub at Reston Town Center

Author: Daniel J. Sernovitz (www.bizjournals.com)

Microsoft Corp. (NASDAQ: MSFT) has inked a deal to lease a large block of space in Reston Town Center for a new technology hub, with plans to create around 1,500 new jobs as part of an expansion from smaller space nearby.

The Redmond, Washington, company has leased 400,000 square feet in Two Freedom Drive, Virginia Gov. Ralph Northam announced Wednesday. The building at 11955 Freedom Drive is part of a two-building complex developed by Boston Properties (NYSE: BXP). Microsoft plans to invest $64 million to establish the new software development and regional research-and-development hub.

"This modernization plan is about providing an exceptional place to work and to give us flexibility for long-term growth," a Microsoft spokesperson said in an email. "The news today reflects a commitment to our workforce in Reston/Fairfax County, and an investment in further establishing our presence in the region."

"Today's momentous decision is further validation of our belief that Reston Town Center in Fairfax County is the region's leading technology hub," Ray Ritchey, senior executive vice president at Boston Properties, said in a statement.

The Fairfax County Economic Development Authority, Virginia Economic Development Partnership and Virginia General Assembly's Major Employment and Investment Project Approval Commission teamed up to support the company's planned expansion. Microsoft will be eligible for an MEI grant of $22.5 million, subject to approval by the General Assembly and conditioned on the company meeting certain performance criteria.

In addition to its presence at Reston Town Center, Microsoft has been advancing plans for the development of a data center campus on a 332-acre property it acquired in 2018 from the Peterson Cos. It advanced that project through Loudoun County not long after being awarded a $10 billion Joint Enterprise Defense Infrastructure cloud computing contract from the Department of Defense, though that award has been challenged by Amazon.com Inc.'s Amazon Web Services subsidiary, which also holds a major campus in Herndon.

"Microsoft is a valued corporate partner, and we are excited to see the company expanding its footprint at its new software and R&D regional hub in Fairfax County," Brian Ball, Virginia commerce secretary, said in a statement. "The creation of 1,500 new, well-paid jobs is obviously very welcome news during these economically challenging times."
"Supply Side"
A new feature spotlighting one of SMACNA Mid-Atlantic’s key industry suppliers.

USA Sourced HVAC Products
By Patricia King

As commercial projects ramp up and tenant projects move forward it seems project schedules continue to shorten. While manufacturing backlog and lead times tend to increase.

All products we stock are made in the USA. In addition, all Nailor Industries’ products proudly bear the Blue Label.

To help meet this demand, we have increased our warehouse offerings and stock quantities accordingly. From sheet metal fittings, air devices, VAV terminal boxes, and sound attenuators; we have an extensive product offering. And for those “odd size” registers/grilles/diffusers we also have rush programs available.

These rush programs range from a five to a ten-day build out; depending on quantity.

New Product:

Flexmaster USA Type 1 Acoustical Flex: Our most economical offering, the Type 1 is available with either reinforced aluminum outer vapor barrier (Type 1M) or black polyethylene (PE) outer barrier (Type 1B).

Both have PE inner duct fabric which allows mid-range sound penetration and absorption.

Sheet Metal Accessories in stock: Light shields, plaster frames, volume dampers, stainless steel duct clamps, and Flexmaster USA Spin Doors, among many other products.

*Spiral Duct: We will be discontinuing stocking spiral ductwork and fittings – if you have a need for spiral duct; contact us for special pricing.

Please view our warehouse catalog at www.meghvac.com.

Questions? Please contact Patricia King
VP Sales/Marketing
Mobile: 301/785-2049

Virginia Strengthens Laws on Misclassification of Employees
Source: IslerDare

Lawmakers in Richmond, Virginia are taking aim at employers who intentionally try and misclassify workers. These new laws are meant to show employers that Virginia will not tolerate illegal activity.

Presumption of Employee Status (House Bill 1407)
Effective January 1, 2021, individuals are presumed to be employees if they perform services for renumeration, unless the individual or company can demonstrate that the individual is an independent contractor using the IRS guidelines. In addition, employers are prohibited from requiring or requesting an individual to enter into an agreement or sign any document that results in misclassification and from retaliating against individuals who exercise their rights to proper classification.

The failure to properly characterize an individual as an employee and pay taxes, benefits, and other required contributions may result in the following: (i) debarment from public contracts; (ii) civil penalty up to $1,000 per misclassified individual for a first offense, up to $2,500 per misclassified individual for a second offense, and up to $5,000 per misclassified individual for a third or greater offense.

Sharing of Information Among State Government Agencies about Misclassification Situations

HB 1407 also authorizes the Tax Commissioner and other entities, such as the Department of Labor and Industry, the VA Employment Commission, Dept. of General Services, Workers’ Compensation Commission, to share information about misclassification situations.

Private Right of Action (House Bill 984) Effective July 1, 2020, individuals will have a private right of action to sue for misclassification.

Prohibition on Retaliation (House Bill 1199) Effective July 1, 2020, employers are prohibited from discharging, disciplining, threatening, penalizing, discriminating against, and retaliating against an individual who reports or threatens to report the employer for misclassification or failure to pay required benefits or contributions or who is subpoenaed or requested to participate in such an inquiry.

Board of Contractors to Require Proper Classification (House Bill 1646) Effective July 1, 2020, the Professionals and Occupations Code was amended to provide that the Board of Contractors must require contractors to appropriately classify their workers and must sanction contractors for misclassification.