



June 2010 National FCA Update

From: Tony Darkangelo, Chief Executive Officer

Re: A recap of the activities and news from National FCA staff

Executive Office

- Bob Weaver attended the LMCI Eastern Regional Roundtable Meeting in Boston, MA. Board member Mark Chuplis served as Co-chair of the meeting with General President James Williams, as National FCA Chairman Ed Smith could not attend this meeting. The roundtable meeting included a separate meeting just for contractors they discussed labor management issues, including collective bargaining negotiations.
- The Southern California Glass Management Association confirmed they have agreed to become a fully funded affiliate of National FCA.
- Following the Annual Council meeting, Tony Darkangelo and Bob Weaver participated in a conference call with National FCA Chairman Ed Smith and Gerry Williams, the lead researcher involved in our Labor Productivity Study, to determine how to develop strategies to increase the number of survey responses so that we can complete this important study.

Annual Council Recap

Young Leaders Network

- This newly formed committee held its first committee meeting at the Annual Council. Chairman Mark Borgmann focused on discussion of the value National FCA can bring to the Young Leaders with an advisory team consisting of legal counsel, and financial, insurance and bonding advisors. The committee would like to meet again at FIF and get some time with some of our senior business members in a roundtable forum to ask questions.

Plenary Session

- Featured was a panel discussion, consisting of National FCA Vice-Chairman Mike Cassidy with Long Painting in Kent; WA, Joe Clabbers, President of the Architectural Glass and Metal Contractors Association, with National Glass and Metal Company, in Philadelphia, PA; Ray Fujii, Affiliate Executive Director of the PDCA of Hawaii; and Dan Wienstroer, Affiliate Executive Director of the St. Louis Painting and Decorating Foundation, where they talked about developing and maintaining outstanding labor relations. Panelists shared their local CBA negotiations experiences — what has worked, what has not, and what some of the roadblocks were and how they overcame them.
- National FCA Board Member Randy Bender unveiled the new Safety Awards Program, set to launch later this year.

Committee Meetings

- Business Practices
 - The Committee discussed the importance of completing the Labor Productivity Study, noting that other segments of the construction industry have finalized such studies and their contractors have been very successful in utilizing the study to support claims against owners and general contractors. The Committee discussed a number of contract clauses that are particularly onerous on subcontractors, with a particular emphasis on clauses related to change orders.
 - The Committee also discussed the implications of a soon-to-be released rule from the Financial Accounting Services Board (FASB) on financial disclosure requirements of an employer's participation in a multiemployer plan. Contractors expressed concern about the impact of this rule on bonding and banking relationships.
- Workforce Advisory
 - The Committee reviewed the Finishing Trades Institute's (FTI) basic components required as part of the Department of Labor's recent launch of the Nationwide Standardized Training Program. FTI Director

Dan Penski briefed the Committee on the proposed curriculum and training at local training centers that will be necessary to implement the new training standards.

- Government Relations
 - The committee discussed the status of various pieces of legislation and other issues affecting the finishing industry including the implications of an upcoming rule from FASB on reporting requirements of an employer's liability in a pension plan. Committee members expressed concern about the impact of this rule on bonding and banking relationships.
 - The committee discussed the implications of a rule tucked in the healthcare reform legislation requiring all businesses starting in 2012 to report and send 1099s on transactions over \$600. The committee expressed concern about the cost to comply and the accounting nightmare to obtain tax information on every vendor.
- Safety Advisory
 - The committee held its first official meeting at the Annual Council Meeting in New York. Chairman Randy Bender presented the CREST Awards (Contractors Recognizing Excellence in Safety Training) Program that will officially launch later this year. The committee also organized a sub-committee to work with OSHA to form a National Alliance.
- Drywall
 - The committee discussed the ongoing issue of completing the proper application for the specified level of finish versus managing the owners' expectation of finish. Too often, the owner will pay for one level of finish but expect something way beyond. This causes major heartache for the drywall contractor. The committee discussed educating the general contractors and owners on the differences between the various levels of finish, the effects of insufficient and temporary lighting during the finishing process and specifications in critical lighting areas.
 - The committee also discussed core competencies and certifications for apprentices and journeypersons.
 - The FTI is in the process of updating the national apprenticeship standards and shared their commitment to standard training; apprentices coast to coast would be required to meet criteria and evaluations.
- Floor Covering
 - It was decided that the committee would schedule a conference call with committee members sometime in the coming months.
- Glazing
 - Contractors encouraged FTI to develop a certification program for glaziers that includes photovoltaic training.
 - FTI representatives thanked National FCA for providing comments on the glazier competencies that will be included as part of the FTI's Registered Apprenticeship Revised National Standards, indicating that National FCA was the only organization that commented on the proposed revised standards.
- Commercial Paint and Wallcovering
 - Regarding product updates, the Committee discussed recycled wallcoverings, moisture barriers, and no-burn products. The Committee addressed the pros and cons of piecework versus hourly. FTI's Executive Assistant Director, Sarah Coyne, briefed the group about the Environmental Protection Agency's recently passed lead rule.
- Industrial Painting
 - Among many items being addressed by the committee Chairman Mark Chuplis focused on the company and individual certification requirements of industrial painters. FTI agreed to assist the committee in developing a guide that would help the contractors navigate through the SSPC certification process.

Educational Programs

- *Financial Planning*
 - Jim Weber reviewed the new HIRE Act, a sample insurance policy summary form, and the basics of a qualified retirement plan.
- *The New Business Model of Construction Contracting*

- Matt Stevens examined the specifics of risk vs. reward, variables and cost, supply vs. demand, variable compensation, and appropriate technology, as each issue relates to the new business model of construction contracting.
- *Succession Planning*
 - Leon and Terrance Resnick discussed with attendees, how to keep their businesses with their family and out of the hands of the IRS.
- *Work Smarter: Take Control of Your E-mail*
 - Robin Smith and Kristin Bromberg shared tips, tricks, and best practices on how to better manage e-mail and increase productivity.

Leadership Council (Visit [National FCA online](#) to download a copy of the notes from the Leadership Council)

- Gary Meyers gave an update regarding the IUPAT's National Pension Fund followed by a Q&A session.
- Steve Burton discussed the effects of the newly passed health care plan will have on the construction industry.

Affiliate Executives Council Meeting

- Local Affiliate Directors from around the country met to share best practices. Dan Wienstroer discussed how getting involved in the community helps your contractor members in the long run.

Products and Services

- **Labor Productivity Survey (LPS)** – The survey data are being analyzed by Gerry Williams, a construction claims professor and principal of Construction Research, Inc. in Portland, OR. Gerry has an engineering student, Peter Livingston, working for him as a summer research assistant, who has been charged with the task of trying to finish the data collection for the LPS. This summer, Peter Livingston, Gerry's research assistant, will call you, with the goal to gather enough data from each trade to compile a survey that will benefit members. **When you receive a call from Peter, please take the time to complete the survey.**
- **UPS Freight Discount (70%)** – Visit National FCA online to take advantage of the discount, www.finishingcontractors.org.

Upcoming Events

- **National FCA Trustee Conference Call – July 14, 2010**
- LMCI Central U.S. Regional Roundtable – July 28, 2010, Indianapolis, IN
- **National FCA Affiliate Executives Council Meeting – October 14-16, 2010**
- **National FCA Trustee Conference Call – October 27, 2010**
- LMCI's Finishing Industries Forum – December 1-3, 2010, Caesars Palace, Las Vegas, NV
 - Attorney's Seminar – November 29-30, 2010, Caesars Palace, Las Vegas, NV
- Quality Construction Alliance: Legislative Conference – May 10-12, 2011, Washington, D.C.