



October 2017

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## Chapter Annual Meeting 2017

Members, associate members, and guests gathered for the SMACNA Mid-Atlantic Chapter's Annual Business Meeting on September 12. The day started at 11 a.m. with the opening of the display tables, registration and appetizers. Contractors took advantage of the opportunity to meet and mingle with key suppliers and view the many new products and services being offered.



Chapter Vice President **Kathleen Bigelow** (Comfort Control, Inc.) reported on the association's key business issues and finances. SMACNA Mid-Atlantic Sheet Metal Industry Fund Chairman **Jim Kelleher** (Metro Test & Balance, Inc.) reported on the status of the fund noting that there has been a significant increase in revenues due to the uptick in business.



Kathy Bigelow

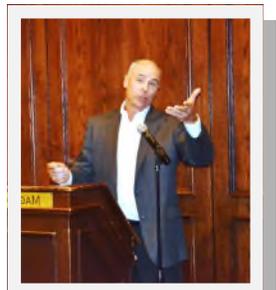
Members heard about SMACNA's upcoming Annual Convention and the planned Partners in Progress Conference scheduled for February in Orlando.

Partners in Progress is a jointly held international conference with SMART union officials. Bigelow also took a moment to recognize past presidents and SMAC PAC contributors.

SMACNA CEO & President **Vince Sandusky** spoke with members about SMACNA's long range plans and encouraged business owners and top managers to attend the association sponsored educational programs.

The association offers outstanding programs such as Project Managers Institute, Business Management University, Supervisory Training Academy, and Financial Boot Camp. All are extremely popular and often sell out. So members interested in attending should plan ahead and register early.

In addition to talking about the upcoming convention set for this month, Sandusky also touched upon ideas to help the industry attract and recruit apprentices. One idea offered up was establishing student chapters at colleges, universities, and trade schools as other trades have done.



Vince Sandusky

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www.smacnaatl.org

## DC's Universal Paid Leave



On December 20, 2016, the DC Council adopted D.C. Law 21-264, the Universal Paid Leave Amendment Act of 2016, which establishes a District-run paid leave program for individuals employed in the District. The Law provides for eight weeks of parental leave, six weeks of family leave, and two weeks of medical leave. This law is funded by imposing a 0.62% payroll tax

on all District businesses which results in an annual two hundred fifty million dollar (\$250,000,000) tax on the District's business community.

Implementation of this Law requires a new government bureaucracy. Thus, the DC Government will be required to administer the \$250 million Universal Paid Leave fund for all District covered employees for claims, approvals calculations, leave scheduling, payments and enforcements.

To get this new bureaucracy up and running, the Chief Financial Officer, Jeff DeWitt, indicated that up to eighty million dollars (\$80,000,000) must be budgeted to develop an IT system to operate this mandate. In addition, eighteen million dollars (\$18,000,000) in annual personnel and administrative costs will have to be budgeted to cover the estimated 200 plus employees to implement this Law.

Throughout the United States, this same paid leave benefit or variations thereof are generally funded through employee-paid contributions, or cost-sharing where both the employer and employee pay the cost of the program.

But in the District of Columbia pursuant to the Home Rule Act of 1975, the Council shall have no authority to "impose any tax on the whole or any portion of the personal income, either directly or at the source thereof, of any individual not a resident of the District ...." What does this mean for the District of Columbia? This means the \$250 million payroll tax utilized to provide eight weeks of parental leave, six weeks of family leave, and two weeks of medical leave cannot be paid by nonresidents of the District of Columbia.

In other words, nearly one hundred sixty-five million dollars (\$165,000,000) of the \$250 million payroll tax will be utilized to provide these paid leave benefits to nonresidents of the District of Columbia (primarily Maryland and Virginia residents), "FREE OF CHARGE". Another interesting fact is a "District resident" working in Maryland, Virginia or any other State is not eligible for the DC paid leave benefit.

## Maryland Stadium Authority

Those doing business with the Maryland Stadium Authority need to update their subscriber preferences at <https://public.govdelivery.com/accounts/MDSTAD/subscriber/new?preferences=true>

Using this system, contractors will be able to tailor their preferences and subscribe/unsubscribe for any general notices. Please note that MSA may use this system to distribute solicitations to pre-qualified firms. Effective September 1, only those firms that have selected their subscriber preferences will receive solicitations and general notices. Please visit [subscriberhelp.govdelivery.com](https://subscriberhelp.govdelivery.com) or call 410) 333-1560.

## SMACNA Mid-Atlantic Welcomes Capital Energy Equipment, Inc.



Capital Energy Equipment Inc., located in Vienna, VA, is a new associate member of the SMACNA Mid-Atlantic Chapter.

The firm is a supplier of HVAC equipment, parts and accessories. CEE works with leading HVAC Manufacturers to bring innovative solutions to building owners and government agencies. They provide design applications services to consulting engineers and contractors in support of their projects.

For further information contact **Frank Dawson**, [frank@capitalenergyequipment.com](mailto:frank@capitalenergyequipment.com) or call 703/437-8161.





Register Today for SMACNA's  
Annual Convention

- ◆ Great Educational Sessions
- ◆ Excellent Networking
- ◆ Super Social and Entertainment Events!

Join your industry friends and colleagues at our annual convention.

For registration and information, please go to [www.smacna.org](http://www.smacna.org)

## Register for "A Foreman's Field Guide to Developing Your Workforce Seminar"

November 16, 2017

7:30—11:30 a.m.

Hilton Garden Inn, Greenbelt, MD

Companies dependent on skilled labor understand the need for strong leadership if they are to remain competitive. Whether it is manufacturing, construction, or service, today's top management recognizes the shortage of motivated, dependable, and trained people available.



Nic Bittle

This half-day program gives those with leadership responsibilities four core competencies lacking in most of the workforce entering the industry today. Bittle will focus on communications so that everyone on the team communicates at a higher level. This seminar will also give foremen and supervisors leadership tips to help their team reach their maximum potential.

When it comes to leadership training Bittle is one of the best! He is one of the most popular speakers at SMACNA events and his time tested theories and practices are ideas that can be put to work immediately.

Please use the registration form in this mailing or contact the office at 301/446-0002 x 101. Registration covers program admission, handouts, continental breakfast, and refreshment break. Early Bird registration is \$95 per person, \$75 for each additional person from the same company. After November 1 registration is \$125 per person. This program is expected to sell out so please sign up early!

### Register today for:

November 16 – "A Foreman's Field Guide to Developing Your Workforce;"  
7:30-11:30 a.m.  
Greenbelt, MD

- Owners
- Officers
- Foremen
- Supervisors

Advanced registration is required for all events.

For more information call  
301/446-0002

### Chapter News

Congratulations to **Mike and Stephanie McNally** and their four year old son Liam on the birth of the families newest additions. Brother Keegan and sister Quinn were welcomed in July and at last report all are doing well.

Many members are familiar with Mike as he is an attorney at Felhaber Larson Fenlon and Vogt in Minneapolis who works closely with both SMACNA and SMACNA Mid-Atlantic. He is a frequent speaker association meetings and conferences.

### Battaglino Recognized for His Contributions to the Industry



Frank Battaglino

**Frank Battaglino**, president of Metro Test & Balance, Inc. was recognized by association members at the chapter annual meeting and presented with the organization's Distinguished Service Award. In noting his multiple achievements and dedication to the industry, Vice President Bigelow thanked Battaglino for his years of service at the local level as a board member, officer, committee chairman, and chapter president. On the national level Battaglino served on the SMACNA Board and is a long time and loyal supporter of SMAC PAC.

SMACNA Mid-Atlantic congratulates Frank Battaglino for his generous and untiring efforts on behalf of all members.

### *National Safety Council Recognizes CMC Sheet Metal Inc. with the 2017 Industry Leader Award for Safety*

The National Safety Council announced on July 21, 2017 that CMC Sheet Metal Inc. has been honored with the 2017 Industry Leader Award for Safety. The award is a component of the Council's member-exclusive Safety Motivation and Recognition Awards Program. The Industry Leader Award benchmarks outstanding safety achievements among members based on safety data.

CMC Sheet Metal Inc. is one of 51 companies honored with the 2017 Industry Leader Award. The award recognizes the top 5 percent of member companies, unit and facilities that have met the criteria and qualified for the 2017 Occupational Excellence Achievement Award from the National Safety Council. Winners are based on NAICS code, lowest total incidence rate and the employee work hours.

CMC has repeatedly been a first place winner in the SMACNA National Safety Award competition. SMACNA Mid-Atlantic congratulates CMC!

### *California Files \$6.3 Million Misclassification and Wage Theft Lawsuit against Glendale Construction Company*

In California the Labor Commissioner's Office has filed a lawsuit against Calcrete Construction, Inc. seeking \$6,300,338 for multiple wage theft violations affecting a group of 249 construction workers and the willful misclassification of 175 workers as independent contractors.

Beginning in August 2016, Calcrete forced its workers under threat of termination to sign contracts stating they were independent contractors. The company then used staffing agencies Dominion Staffing and Southeast Personnel Leasing to pay the workers.

"It is illegal for employers to use subcontractors to distance themselves from the obligation to pay workers, and we will use every tool to dissuade employers from this scheme," said Labor Commissioner Julie A. Su. "This lawsuit aims to recover the money these misclassified workers should have been paid after years of wage theft." Calcrete employees typically worked 10-12 hours Monday through Friday and eight hours on Saturday. They were paid only their regular hourly rate and not for the 18-28 hours of overtime they regularly worked. This underpayment occurred for a nearly two- year period from 2014-16, the lawsuit specifies.

The lawsuit seeks wages and damages of approximately \$2,596,438 payable to the workers; \$352,000 in overtime wages; \$1,244,438 in waiting time penalties; and more than \$1,000,000 (specific amount to be determined at trial) for unpaid sick leave and liquidated damages. Worker misclassification results in an estimated loss of \$7 billion each year in payroll tax revenue to the state.

Mark your calendar

For:

## **ASHRAE/MCA Metropolitan Washington Tradeshow**

**Monday, November 6**

**Marriott Pooks Hill**

**(new location)**

**Bethesda, Maryland**

**Join architects, engineers,  
mechanical contractors and  
others for an evening of:**



- **Great Networking**
- **Terrific Food**
- **And visiting with industry leaders and decision makers.**

*For more information please contact  
SMACNA Mid-Atlantic Chapter at  
301/446-0002 x 100.*

### **Visit us on Facebook SMACNA Mid-Atlantic**

- **Photos**
- **Events**
- **More at  
[www.smacnaatl.org](http://www.smacnaatl.org)**

## Upcoming Events & Meetings—

*Be Sure You and Your Key People are Registered*

- ◆ October 22-25  
SMACNA Annual Convention;  
Maui, Hawaii
- ◆ November 6 –  
MCAMW/ASHRAE Tradeshow  
N. Bethesda Marriott Convention Center  
4:30 - 8:30 p.m.
- ◆ November 16 – “A Foreman’s Field Guide to Developing Your Workforce;”  
7:30-11:30 a.m.  
Greenbelt, MD

*Advanced registration is required for all events.*

**For more information:**  
[www.smacnaatl.org](http://www.smacnaatl.org)

and

[www.smacna.org](http://www.smacna.org)



## *Thank you Sponsors!*

### *2017 Annual Chapter Meeting*

Capital Hardware Supply  
Ductmate Industries Inc.  
Duro Dyne Corporation  
Federated Insurance  
Gripple, Inc.  
H&B Engineered Products  
Havtech Air Distribution, LLC  
Metropolitan Equipment Group, Inc.  
Milwaukee Electric Tool Corp.  
Old Dominion Supply, Inc.  
Vicon Machinery/Plasma Automation, Inc.



*Show Support  
for your Industry by  
Becoming a SMACNA CIC  
Member*

For as little as \$535 you too can become a member of SMACNA's Capitol Insiders Club. Join fellow industry leaders as they work to favorably influence legislation that promotes the sheet metal industry!

**If you have an interest in:**

- Pension Reform
- Infrastructure investment
- Green Buildings
- Davis-Bacon
- Prevailing Wage Issues
- Bid Listing
- Project Labor Agreements
- Worker Misclassification
- And other issues

***Get Involved Today!***

*For more information please contact SMACNA's Capitol Hill Office at 202/547-8202 or SMACNA Mid-Atlantic at 301/446-0002 and learn how your involvement will help promote your interests.*

## *Maryland Gains Jobs*

– The U.S. Department of Labor's Bureau of Labor Statistics (BLS) released state jobs and unemployment data. According to the preliminary survey data, Maryland added 14,200 jobs over-the-month, an increase five times the national rate of growth. August is the fifth month this year to post over-the-month job gains.

In August, Maryland's unemployment rate dropped to 3.9 percent, once again falling below the national average of 4.4 percent. Maryland unemployment now stands at pre-recession rates; the last time Maryland saw an equivalent unemployment rate was May 2008.

Since January 2015, Maryland has gained 127,600 jobs. Of the 14,200 jobs gained last month, 9,700 were in the private sector. Compared with August 2016, private sector jobs are up by 57,900, an over-the-year change of 2.6%.

*SMACNA Mid-Atlantic Chapter  
Officers and Board Members*

*2017—2018*

**Dale Trunnell, President**

Metro Mechanical, Inc.  
Hyattsville, MD  
301/927-4077  
Term expires 2019

**Kathy Bigelow, Vice President**

Comfort Control, Inc.  
6711 Distribution Drive  
Beltsville, MD 20706  
301/931-9300  
Term expires 2019

**Kevin Grenier, Treasurer**

K.G. Sheet Metal  
401-H Prince Georges Blvd.  
Upper Marlboro, MD 20774  
301/390-2405  
Term expires 2018

**Stanley Fleischer  
Immediate Past President**

Seneca Balance of MD, Inc.  
8019 Belair Rd., Suite 5  
Baltimore, MD 21236  
410/665-1281  
Term expires 2019

**Frank Battaglino, Past President**

Metro Test & Balance Inc.  
8640 Edgeworth Dr.  
Capitol Heights MD 20743  
301/808-3660  
Term expires 2020

**Geoff Parks**

CMC Sheet Metal  
1208 Marblewood Ave.  
Capitol Heights, MD 20743  
301/925-4040  
Term expires 2020

**Tom Hall**

A.D.J. Sheet Metal, Inc.  
4334 Charles Crossing Drive  
White Plains, MD 20935  
301/283-3000  
Term expires 2019

**Jerry Robinson**

Stromberg Metal Works  
6701 Distribution Dr.  
Beltsville, MD 20705  
301/931-1000  
Term expires 2020

**Rob Delawder**

Southland Industries  
22340 Dresden St.  
Dulles, VA 20166  
703/834-2416  
Term expires 2020



*Prospective Subcontractor Lien Rights*



Unfortunately, the District of Columbia does not have legislation in place to protect subcontractors from contract clauses waiving their rights to payment under general contractors' bond coverage. ACE, the Alliance for Construction Excellence, is attempting to reach out to members of the District of Columbia Council in an effort to start the process of getting legislation introduced to restrict the waiver of subcontractor lien rights.

The Federal Government, Maryland, and Virginia have codified this is against public policy for a subcontractor to sign a contract that waives their rights under a payment bond provided by the general contractor.

Only in the District can a general contractor's boilerplate bond waiver be enforced. There are a few major general contractors in our region who have such unfair language in their subcontract

***In Maryland an executory contract may not waive payment bond rights.***

agreements. ACE and its supporting members are working to make the waiver of bond rights unenforceable in the District.

In Maryland an executory contract may not waive payment bond rights. A "pay when paid" provision in an executory contract does not waive payment bond rates.

In Virginia a waiver of bond rights is void unless in writing and signed after the supply of labor or material.

The federal government's waiver of the right to pursue a payment bond action under the Act by a person supplying labor or materials is void unless it was executed in writing, signed by the person whose right is to be waived, and executed after the labor or materials have been supplied.

Councilmember Elissa Silverman may be the key official to support this legislation. Chairman Phil Mendelson's Committee of the Whole has jurisdiction over the Office of Contracting and Procurement, so he too could serve as an important contact.

*Chapter members wishing to share information or get involved with promoting this legislation are urged to contact Bernie Brill at 301/446-0002 x 101.*

