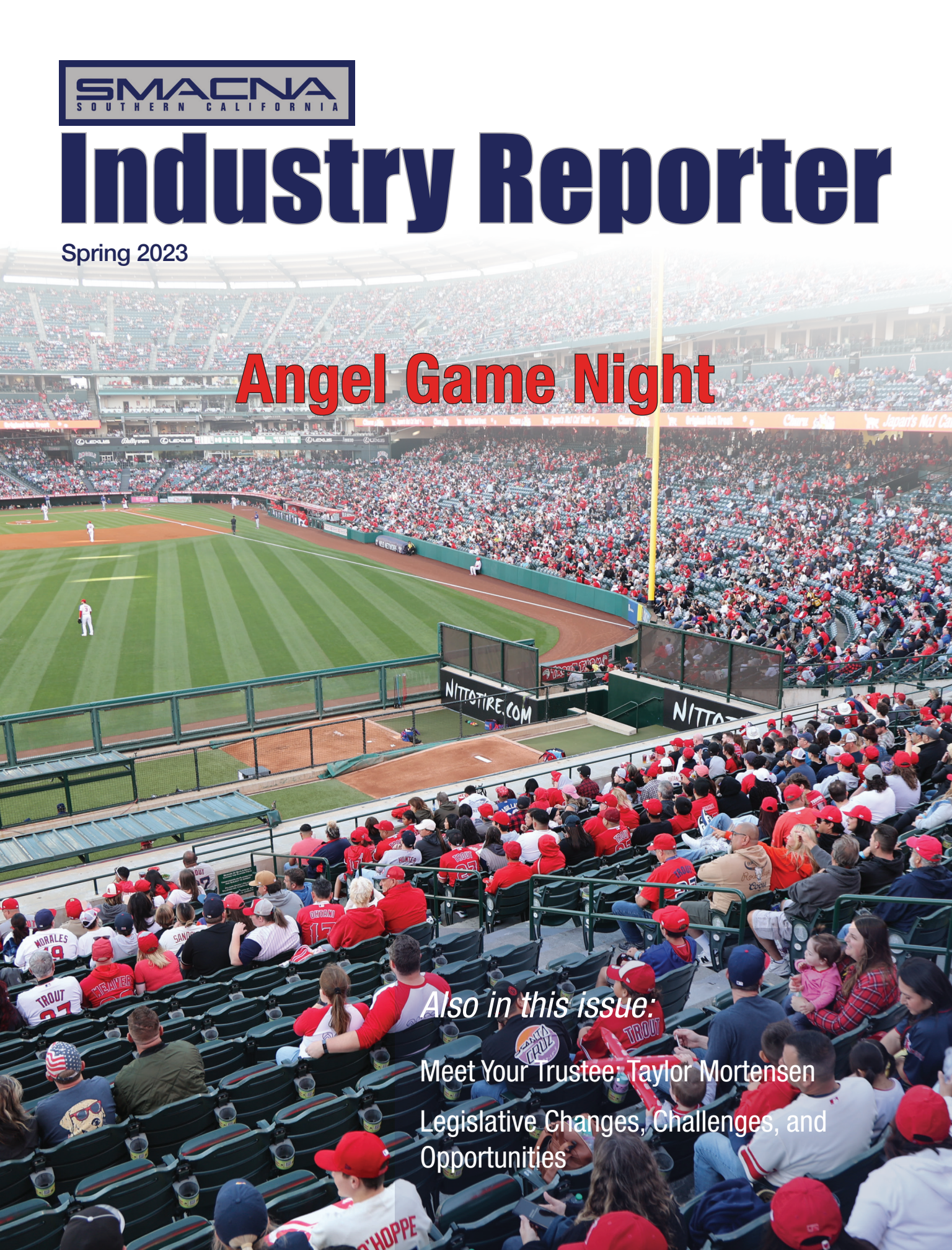




SMACNA
SOUTHERN CALIFORNIA

Industry Reporter

Spring 2023



Angel Game Night

Also in this issue:

Meet Your Trustee: Taylor Mortensen

Legislative Changes, Challenges, and Opportunities

ASSOCIATION ACTIVITIES

We have had an incredibly eventful year so far, filled with successful and engaging events that have brought our organization together. The Sweetheart's Ball, Semi-Annual Luncheon, and Angel's game night were resounding successes, creating memorable experiences for our members and employees. We extend a special thank you to those generous individuals who provided raffle prizes for the Angels game night, adding an extra element of excitement to the event. We also held an appreciation luncheon for those that serve on local, state, or national committees, task forces, or boards. National SMACNA's CEO Aaron Hilger and SMACNA's President Tony Kocurek joined us as guests.

In addition to our social gatherings, we have prioritized educational programs to empower our members with valuable knowledge. The Contract Administration seminar proved to be an insightful session, equipping attendees with the skills and expertise needed for effective contract management. We also conducted a webinar on the Employee Retention Credit (ERC), providing crucial information to help our members navigate the complex landscape of tax credits and incentives.



By / Pete Fortin, SMACNA SoCal President

We've also been actively involved in political advocacy, participating in significant industry events, such as CAL SMACNA's Day at the Capitol and the Construction Employers Association issues conference in Washington, D.C. These engagements allowed us to voice our concerns and priorities directly to policymakers, shaping the future of our industry. Additionally, our presence at the CAL SMACNA Convention was a notable highlight, where we celebrated and recognized the achievements of our members through various awards. Guilfooy Award winners included California Sheet Metal (Architectural), ACCO Engineered Systems (Mechanical), and G.E.S. Sheet Metal (Creative Concept).

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Meet Your SMIF Trustee: Taylor Mortensen



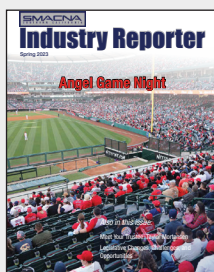
SMACNA SoCal Events

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A looming concern for our members is the *Private Attorneys General Act* (PAGA) legislation and the direction it has taken. PAGA presents several significant concerns. Firstly, it increases the risk of litigation as employees can file lawsuits against their employers for labor law violations, even for minor infractions. The financial burden and time-consuming nature of defending against PAGA claims can be daunting. Secondly, PAGA allows for substantial penalties, as employees can seek significant amounts for each violation, potentially resulting in a significant financial impact on employers. Additionally, PAGA lawsuits often take the form of representative actions, resembling class action cases, which can expand the scope of claims and increase exposure. Another concern is that PAGA lacks a requirement for employees to provide prior notice or an opportunity to cure violations, limiting an employer's chance to address compliance issues before facing legal action. Defending against PAGA claims can be costly, requiring legal representation and potentially damaging an employer's reputation. For these and other reasons, SMACNA Southern California has been working with Local 105 to use the carve-out from PAGA for construction CBAs, essentially directing these grievances to the process outlined in our CBA.

I am proud to announce the successful collaboration between management and labor in developing a comprehensive Memorandum of Understanding (MOU) that addresses the challenges PAGA poses. Through open and constructive dialogue, both parties recognized the importance of finding common ground to mitigate the potential burdens associated with PAGA litigation. Our joint efforts have resulted in the creation of an MOU that not only promotes compliance with labor laws but also establishes mechanisms to proactively address and resolve disputes. By working together, we have

achieved a significant milestone in safeguarding our industry and its workforce. This MOU demonstrates our commitment to fostering a harmonious working environment while ensuring the protection of employee rights. We extend our gratitude to all those involved in this collaborative effort and look forward to its successful implementation for the benefit of our employees, employers, and the industry as a whole.

Looking ahead, our calendar is brimming with exciting events. The Friends of the Industry Golf Tournament in June reached full capacity, showcasing enthusiasm and support from our members. The upcoming Annual Business Meeting, Dinner, and Dance event in September promises to be a night of celebration and networking. Furthermore, we eagerly anticipate the SMACNA National Convention in October, set to take place in the vibrant city of Phoenix, Arizona.

We have some exciting topics on the horizon. Dates are yet to be determined, but we plan to delve into discussions on withdrawal liability and proper timekeeping of employees by employers. These informative sessions will equip our members with essential knowledge and best practices to navigate the complexities of these important subjects.

I would also like to express our gratitude to our members who have actively participated in the short surveys we have sent out. These surveys, designed to be completed in under five minutes, provide invaluable feedback that helps us shape and enhance our programs for the benefit of our members.

Thank you to everyone who has made our events and programs successful thus far, and we look forward to the continued growth and engagement within our organization. ■

EMPLOYEE RETENTION CREDIT FOR COMMERCIAL CONTRACTORS

What is Employee Retention Credit?

The Employee Retention Credit (ERC), a refundable payroll tax credit, provides cashflow relief to eligible employers for up to \$5,000 per employee for 2020 and up to \$21,000 per employee for 2021.

Why Commercial Contractors?

Contractors often qualify based on various job site restrictions applied to customer work sides. Apex analyzes the COVID regulations and will work to quantify the impact on business operations and substantiate the credit qualification.

Who Qualifies?

- Businesses that experienced a decline in quarterly gross receipts of 50% in 2020 or 20% in Q1, Q2, and/or Q3 in 2021 compared to the same quarters in 2018, or
- Businesses whose operations were fully or partially suspended or who suffered a productivity loss of more than 10% due to COVID restrictions.

What Makes a 10% Impact?

- Site screening
- Site equipment disinfection
- Handwashing / personal cleaning
- COVID reporting / testing
- Time lost to social distancing
- Elevator or lift issues / waiting

Sample Tax Credit by Number of Employees		
Client	# of Employees	Total Maximum ERC Amount
A	10	\$260,000
B	20	\$520,000
C	100	\$2,600,000
D	450	\$9,450,000

Watch a webinar on ERC presented by SMACNA SoCal here: youtube.com/watch?v=bPr7WMouLiU and contact the office with any further questions. ■

TAYLOR MORTENSEN
Sales Director, Superior Duct Fabrication Inc.

Taylor Mortensen has done some incredible things in her ten years with Superior Duct Fabrication. As Sales Director, she specializes in large scope projects, digital workflows, and spooled ductwork that enables her clients to reduce installation time in the field and lower labor costs.

Mortensen is known for her commitment to exceptional customer service. She quickly rose through the ranks to a leadership position and continues to prioritize education about the latest software and technical advancements in the industry. She has managed some of the company’s largest projects to date, including Google, Disneyland’s Star Wars Park, LAX, and Banner Hospital in Tucson, Arizona.

“I love that this industry has so many different areas of opportunity and growth to offer,” she says. “It always seems to be thriving and provides a very stable future for its members.”

She also holds a seat on the Sheet Metal Industry Fund Board of Trustees, which oversees and creates rules and guidelines for the Sheet Metal Workers’ Pension Fund, in partnership with the fund administrator and professional investment advisors. Her work as a trustee is something she enjoys and recognizes as an important opportunity to give back to the industry.

“As a trustee, it is my duty to help manage our industry funds, preserve our assets, and assist in decision making to ensure our investments are protected,” she says. “I am honored to serve to the best of my ability alongside many well-respected leaders from the industry. Being the youngest of the group, I am eager to learn and absorb as much as I can from my fellow trustees.”

Like most other industries and economic institutions, signatory sheet metal in general, as well as the fund, are susceptible to economic uncertainty and market volatility, but the future remains bright.

“Our industry is continuing to grow despite economic headwinds,” Mortensen says. “We have a lot of opportunities in the pipeline to maintain a well-capitalized fund.”



Superior Duct Fabrication has been serving the sheet metal and HVAC industry for over 20 years as a leading manufacturer with focus on commercial and industrial systems. It is currently operating in four locations (Southern California, Northern California, Nevada, and Arizona) and very proudly produces nearly 2 million pounds of manufactured metal a month for its customers.

Looking ahead, Mortensen says industry leaders must be resilient. “We will need to focus on building up our workforce and securing young talent to ensure a bright and sustainable future for our industry,” she says.

On weekends you can find Mortensen cheering on her Alma Mater, the USC Trojans, hiking, or cruising to the beach with her family.

To learn more about Superior Duct Fabrication Inc. visit sdfab.com ▪

SMART Local 105 2023 Holidays: Q3								
Holidays	LA/OE Commercial	Industrial	Bakersfield Commerical	Orange Empire Residential	LA/OE S&M	Bakersfield S&M	LA/OE Residential	Bakersfield Residential
Independence Day Eve Monday, July 3, 2023	✓	✓	✓	✓	✓	✓	✓	✓
Independence Day Tuesday, July 4, 2023	✓	✓	✓	✓	✓	✓	✓	✓
Labor Day Monday, September 4, 2023	✓	✓	✓	✓	✓	✓	✓	✓

Contract Administration Seminar

The SMACNA SoCal membership attended the annual Contract Administration Seminar in February. The content focused on dispatch slips and procedures, fringe benefit reporting, WebERF online reporting, national pension online reporting, union dues and member savings plans, audit procedures, and prevailing wage/public works. Bookkeepers, project managers, supervisors, personnel that call for dispatching and/or hiring of employees, and compliance personnel were invited to attend.

This seminar was sponsored by the Southern California Labor Management Cooperation Trust. ■

Sweetheart's Ball – February 25

The Annual Sweetheart's Ball was a resounding success for SMACNA SoCal members and their sweethearts, each of whom received a beautiful Tiffany bracelet. For the event, 114 members and guests gathered at the Westin Anaheim Resort's Carousel Ballroom for a cocktail reception, dinner, and entertainment.

Festivities opened at 7:00 pm with a cocktail reception, followed by opening remarks from Kevin D'Orisio, advisor, Mark Terzigni, executive director, and Pete Fortin, SMACNA-SoCal president.

A stunning, gourmet dinner followed. Hors d'oeuvres included shrimp cocktail shooter, ahi tuna poke, bacon wrapped scallop, petite crab cake, and veal meatball. These were followed by wild mushroom bisque w/truffle oil; Caesar salad; and a mouth-watering entrée—braised beef short rib w/potato gratin, vegetables, crispy

carrot hay, and red wine braising jus. California wine and chocolate coffee tart with espresso fudge sauce and cocoa nib crumb topped off a wonderful dinner. Attendees closed the evening with drinks, socializing, and dancing the night away to the PG Band. ■





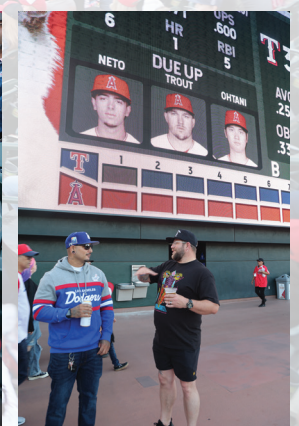
Semi-Annual Membership Lunch at Porsche Experience – April 19

SMACNA-SoCal held its semi-annual membership lunch and meeting at the Porsche Experience Center in Carson in April. The Center offers simulators, allowing participants to virtually experience some of the world's greatest race courses in the vehicle of their choice, and a variety of group driving experiences on a 1.3 mile Handling Circuit. SMACNA members enjoyed the view of the track, followed by a fabulous lunch at Restaurant 917. Chris Walker, CAL SMACNA EVP, gave a review on happenings at the Capitol. •



Angel Game Night – May 6

SMACNA SoCal baseball fans and their guests descended on Angel Stadium this spring for the annual Angel Game Night and Pre-party membership event. Participants met at The Rose Garden at 3 pm for a buffet and dessert pre-party, complete with photo booth, games, and drinks. They tried their luck at a prize and cash raffle at 5 pm, with benefits going to the SMACNA Political Action Committee (SMAC-PAC), and by 6:07 pm they were cheering the Angels on against the Rangers. ■



LEGISLATIVE SMACNA UPDATE

Spring and early summer have been busy with SMACNA's legislative efforts

SMACNA had a busy spring of advocacy and action. It was invited to the White House to be part of a policy roundtable on supply chain for highly efficient heat pumps and related decarbonization technologies that are key parts of whole house retrofits. SMACNA's Executive Director Stan Kolbe joined incoming SMART President Mike Coleman at the off-the-record policy discussion. This roundtable was closed to the press and public in order to foster candid dialogue.

What can be released at this time includes:

- White House and Energy Secretary Granholm convened heat pump manufacturer, contractor, and distributor executives, and labor leaders to discuss how America can lead in growing the global clean energy economy by investing in America's workers and creating good, union jobs here at home.
- The discussion focused on how pairing public and private investments with new *Inflation Reduction Act*, Bipartisan Infrastructure Law, and *Defense Production Act* programs—such as tax credits, rebates, grants, and loans—will spur deployment of and help meet residential and commercial demand for heat pumps. Taken together, these efforts will also support good jobs, boost American competitiveness, reduce emissions, and lower energy costs for families and small businesses.
- Executives and labor leaders discussed how supply and demand side signals from the private and public sectors can spur even more investment in heat pump manufacturing, while scaling workforce development and training.
- America's manufacturing resurgence continues, the Biden-Harris Administration is committed to working with key partners to reap the economic and pollution-reduction benefits of investing in an American-made clean energy economy.

The Protecting and Enhancing Public Access to Codes Act

SMACNA also expresses its support for S. 835, *The Protecting and Enhancing Public Access to Codes Act*, also known as the *Pro Codes Act*. This recently introduced bipartisan legislation is sponsored by Senator Chris Coons (D-DE) and co-sponsored by Senator Tom Tillis (R-NC) and Senator Sheldon Whitehouse (D-RI). SMACNA appreciates Senator Coon's leadership for small business energy efficiency issues and related regulatory efforts, especially with the recent sponsorship of S. 835.

Further, SMACNA endorses the observation that vital information contained in codes must remain free and available to the public. It agrees with sponsors and advocates of S. 835 that the bill would fairly recognize investments made by standards development organizations. Simply put, this



By / Stan Kolbe, Executive Director of
Legislative and Political Affairs, SMACNA

legislation will protect the copyright of codes when they have been incorporated by reference.

S. 835 would make sure that, as more codes get incorporated by reference into legal standards by courts, the *Pro Codes Act* will protect a code or standard's incorporation by ensuring the copyright doesn't extinguish. The bill ensures that the public retains free access to the information. Just as some online services have a free version of their product with limited functionality and a paid premium version with greater functionality, under this bill, those that invest in code development will still be able to sell the materials in certain formats so long as they are simultaneously providing free access to the information.

Modernizing Opioid Treatment Access Act

SMACNA endorses Bipartisan Bill on Substance Abuse (S. 644/H.R.1359)—major identical bipartisan bills that were just introduced to assist workers and others suffering from opioid and related substance abuse in their communities and with the support of trained medical professionals. The Senate bill, S. 644, the *Modernizing Opioid Treatment Access Act* (MOTA) sponsored by Senator Ed Markey (D-MA) and Senator Rand Paul (R-KY). The bill would increase access to care for people, often in the workforce, experiencing opioid use disorder by reforming outdated regulations governing the prescription and dispensing of methadone and related effective medications for treatment and recovery. This long overdue legislation was introduced March 2 and cosponsored by Senators Sanders (I-VT), Braun (R-IN), Booker (D-NJ), and Hassan (D-NH).

As we know, the construction industry has one of the highest injury rates in the United States, and opioids have commonly been prescribed to construction workers to treat the pain caused by these occupational injuries. Construction workers are at greater risk for overdose, with studies, most recently in both Massachusetts and Ohio, showing that they were seven times more likely to die of opioid-related overdoses than the average worker. Since use of opioids has led to addiction and overdose deaths, it is important for workers, employers, and policy makers, to understand the risks and needed alternatives.

Both bills are awaiting hearings, and SMACNA has urged all members of Congress to co-sponsor this legislation and seek its amending to any related bills advancing in Congress. I have met with many of the House sponsors individually on H.R. 1359 and have contacted Senate sponsors, as well. Further I have reached out to our industry management and labor partners to seek their help in gaining greater momentum for both bipartisan bills. ■