



**Los Angeles Painting & Finishing Contractors Association**

December/January 2013

1106 Colorado Blvd., Los Angeles, California 90041 Phone: (323)258-8136 Fax: (323)258-2279 Website: www.lapfca.org

## 2013-2014 LAP&FCA Board Elected At 21st Annual Holiday Event

A large gathering of LAP&FCA members, friends, family and representation from all labor-management groups filled the spacious California Ballroom in the Pasadena Hilton on the evening of December 8 to attend the 21st Annual Chapter Holiday-Charity Event. A new Board of Directors was elected, hundreds upon hundreds of gifts were donated by those in attendance, and the festive holiday ambience added to the night enjoyed by all.

Congratulations to the 2013-2014 LAP&FCA Board of Directors:

President:	Robert Stewart	R.B. Stewart, Inc.
Vice President	David McLean	Summit Painting
Secretary	Bruce Morrow	Morrow Painting
Treasurer	Don Vulich	Endurance Painting
Director	Terry Osburn	Wm. B. Saleh Co.
Director	Paul Mazzeo	Mazzeo Painting
Director	Mac McGinnes	Western Painting
Director	Tom Unsell	National Coating & Lining
Director	Jon Claypool	CL Industrial Coatings

LAP&FCA has produced many outstanding Board's over the years with none more noteworthy than the past two boards who quietly and without a lot of fanfare and posturing, did more for its members in providing benefits, programs, educational seminars, and marketing than some boards do in a lifetime. And the newly elected 2013-2014 Board looks to be even stronger with the addition of three outstanding members representing three outstanding companies. *Continued on Page 8*



2013-2014 LAP&FCA Board of Directors Elected  
 Left to right: Tom Unsell, Mac McGinnes, Terry Osburn, Bruce Morrow, Don Vulich, David Mclean, Robert Stewart (President).  
 Not pictured: Paul Mazzeo and Jon Claypool

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# President's Corner

This being my first article as your chapter president, I would like to thank all of those who placed their trust in me to lead this historic yet dynamic association. I really look forward in working together with a truly exceptional Board of Directors who represent all segments of the union painting industry. We welcome all painting contractors who are signatory to an agreement with DC#36, no matter how small or large.

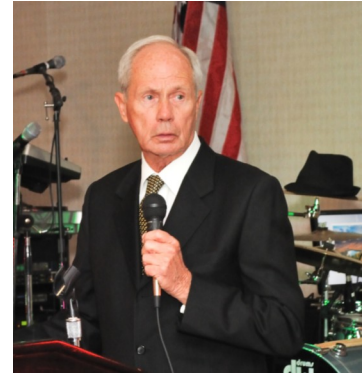
My paint company R.B. Stewart, Inc. of Granada Hills is, I believe typical of our associations members. I am a small businessman who offers superior service, employs well trained workers who are safety certified and am in business to make a decent living for myself and family and the union workers I employ. Unfortunately this seems to be harder and harder as our company, like you, is often being underbid by a competition that doesn't always play by the rules. My goal is your goal, to work toward leveling the playing field so we as union painting contractors, can gain more work and recapture work that has long been lost over the years. Obviously we can't do this alone as we need labor to work with us in this ambitious effort.

As a chapter, we have been continuously working to help our members gain the competitive advantage in a number of ways. We began a marketing program and spent thousands of

dollars with one goal in mind - to gain more work for our members. We offered free of charge PDCA Employee Safety Manuals to our members and saved them hundreds of dollars by doing so. We offered free of charge, the PDCA Estimating Guide and courses offered through the PDCA Contractor College. We offered free of charge, a Green Training Seminar through FCA and regularly featured programs to help your business at our chapter membership meetings.

We belong to the Alliance for Quality Construction which exists to market its members (including you as an LAP&FCA member) to end users. We belong to the State and National PDCA who both have a long track record of working to make things better for the professional painting contractor. We belong to National FCA which is the only national association of its kind, in being comprised of union finishing trade associations only. We belong to the American Subcontractors Association which keeps those on capitol hill aware of the interests of construction subcontractors.

This has been and will continue to be the hallmark of this chapter - to help our members in any way we can to become more successful. We will be looking at ways to expand our marketing program and bring you other benefits that hopefully will help you during this difficult economic time. Your input is always welcome and do not hesitate to contact your chapter office or me with any



Rob Stewart

suggestions that you may have.

In closing, our 21st Annual Holiday-Charity Event was really something special. It was great seeing all representatives that we work with and their families all coming together and having a wonderful time. Our chapter has always been a benevolent chapter reaching out to the local community on a number of charity projects over the years and it is always gratifying in seeing the hundreds of gifts brought in by all of you who attended this event. Also, I would like to mention our always supportive Associate Members who help plan many of our events and meetings who attended our December 8 event: BehrPro, Colors In View, Dunn-Edwards, H&E Equipment Services, Glidden Professional, Oxford Insurance, Sherwin-Williams, Morgan Stanley and Vista Paint.

Wishing you a Happy and Prosperous New Year!

# CALENDAR

## WHEN

## WHAT

## WHERE

January 15 11:30 a.m.	Chapter Membership Meeting	Beckham Grill Pasadena
January 15 10:45 a.m.	Associates Meeting	Beckham Grill
January 15 1:30 p.m.	Board of Directors Meeting	Chapter Office
January 14-17	SSPC Annual Conference	San Antonio
January 20-23	PDCC 109th Convention	Santa Barbara Fess Parker's DoubleTree Resort
March 3-6	PDCA Expo	St. Louis Hyatt Regency
April 6	LAP FCA Day At The Races	Santa Anita Park
April 24	Day At the Capitol	Sacramento
May 1-3	Quality Construction Alliance Legislative Conference	Washington DC Renaissance Hotel
May 29-June 1	FCA Leadership Conference	Philadelphia



# LEGISLATIVE NEWS



## STATE

### California Voters Approve Measure To Provide Fund for Clean Energy Jobs

California voters approved Proposition 39 on November 6 that will provide revenue for energy efficiency and clean energy programs and it's estimated to create tens of thousands of construction-related jobs.

Under the law, which takes effect January 1, 2013, half of the estimated \$1 billion in annual revenue will be used for energy efficiency and clean energy programs such as retrofits of school and government buildings. The rest of the money will go into the state's general fund.

The law also will set up a public citizen oversight panel to review expenditures to fund clean energy projects. Proponents of Proposition 39, called the Clean Energy Jobs Act, estimate the law will create 20,000 to 30,000 construction-related jobs and enable the training of a clean energy workforce.

*Source: Construction Labor Report, 11-15-12*

### New California Proposition 30

As a result of the passage of Proposition 30, California Personal Income Tax Rates for various taxpayers will be increased retroactively to January 1, 2012. These increases will be

The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will

*Vince Lombardi-  
legendary football coach*

effective through 2018. Previously, the maximum Personal Income Tax Rate in California was 9.3%

Taxable Income of Single Filers	
\$0 to \$250,000	9.3% max. rate
\$250,001 - 300,000	10.3%
\$300,001 - 500,000	11.3%
Over \$500,000	12.3%

Taxable Income of Joint Filers	
\$0 to \$500,000	9.3% max. rate
\$500,001 -600,000	10.3%
\$600,001 1,000,000	11.3%
Over \$1,000,000	12.3%

In addition, filers with a taxable income greater than \$1,000,000 will still pay the 1% Mental Health Services Tax on taxable income in excess of \$1,000,000. The Franchise Tax Board has stated that it won't assess underpayment penalties for 2012 to the extent the underpayment of tax is due to the retroactive Proposition 30 tax increases.

Due to this retroactive California tax law change and the scheduled Federal tax law changes (if action is taken by Congress), year-end tax planning is more crucial than ever.

*Source, Miller, Kaplan Arase LLP 11-15-12*

### San Diego \$2.8 Billion School Bond Includes PSA

Voters approved on November 6 a \$2.8 billion school bond measure with a built-in "Project Stabilization Agreement" (PSA) struck with the San Diego County Building and Construction Trades Council.

### Voters in Pair of Cities Nix Charter Status, Prevailing Wage Changes

Voters in two Southern California cities rejected city charter ballot proposals permitting them to opt out of state prevailing wage requirements. Voters in the Orange County city of Costa Mesa voted down Measure V, 40.8 percent in favor versus 59.2 percent opposed. Residents of Escondido in San Diego County voted against Proposition P, with 47.1 percent saying yes and 52.9 percent voting no.

The defeats represent a break from a run of successful status changes at the ballot box over the past years in regional municipalities such as Vista, Carlsbad, Santee, and El Centro.

### San Jose Voters OK \$10 Hourly Minimum Wage

Voters approved an ordinance on November 6 requiring a \$10 an hour minimum wage for all workers in the city who put in more than two hours a week. Labor backed Measure D, which won with 58.8 percent of the vote, covers all employers starting 90 days after the election is certified. The wage rate will rise beginning January 1, 2014, based on the consumer price index.

Enforcement includes awards of back



wages: fines of \$50 a day for violations; private enforcement through civil actions; and revocation or suspension of permits or licenses.

San Jose joins San Francisco with a minimum wage above California's \$8 an hour requirement and the federal minimum wage of \$7.25 an hour. San Jose already has a living wage requirement for 2012 of \$14.73 for employees of contractors with health benefits and \$15.98 an hour for those workers without.

Exempt from the ordinance are employers that do not maintain a facility in the city and are exempt from the business license tax. Measure D also applies to participants in Santa Clara County's welfare-to-work programs by limiting the number of hours the participants would be required to work to the number of hours equal to the cash benefits divided by the minimum wage.

Source for above articles: Bloomberg BNA Construction Labor Report, 11-19-12

## FEDERAL

### FCA Legislative Update

#### FISCAL CLIFF

by Mike Oscar and Bob Gray

The Fiscal Cliff is an economy-rattling combination of expiring "Bush and Obama" era tax cuts and major across-the-board spending cuts (sequestration) to the Pentagon and domestic programs. The fiscal cliff is the result of previous failures of a bitterly divided Congress and White house to deal with the government's spiraling debt or to overhaul its unwieldy tax code.

The Congressional Budget Office (CBO) estimates the austerity program would reduce the deficit by \$580 billion through next September or approaching \$700 billion for the entire calendar year. The CBO predicts millions of jobs could be lost.

#### The fiscal cliff includes

- Expiration of the Bush era tax cuts

on income, investments, married couples and families with children, and inheritances. In addition, 26 million people face the alternative minimum tax next filing season, which would raise their taxes by an average of \$3,700.

#### **Cost through September: \$330 billion**

- A \$55 billion, 9 percent cut in the defense budget next year and another \$55 billion in cuts to domestic programs, including a 2 percent cut to Medicare providers.
- Expiration of unemployment benefits for the long-term jobless.  
**Cost: \$26 billion**
- A sharp cut in reimbursements for doctors participating in Medicare.  
**Cost: \$11 billion**
- The expiration of President Obama's temporary 2 percentage point cut in payroll taxes.  
**Cost: \$95 billion**
- A variety of smaller tax cuts for businesses and individuals collectively known as "tax extenders." They include a tax credit for research and development and a deduction for sale taxes in states that

do not have an income tax.

#### **Cost: \$65 billion**

- A need to increase the government's borrowing cap (the debt limit) of \$16.4 trillion. The government is expected to hit the cap late this year, but the Treasury Department has the authority to juggle certain accounts to buy several weeks of time so Congress will not have to act until early next year.

#### CONGRESSIONAL ACTION

President Obama and congressional leaders agreed to a two-stage approach that would make a down payment on deficit reduction this year. The second stage would force detailed decisions next year on thornier tasks such as overhauling the tax code and cutting spending, including two entitlement programs. Unfortunately, the toughest issues remain unresolved, and significant differences between the two sides remain, especially the fate of the expiring Bush-era tax rates for the nation's highest earners. **Continued on page 6**



Nancy Grzeskowiak is presented with the LAP&FCA Outstanding Member Award!

**Continued from page 5**

Under a proposed framework, policy makers would have to agree to the amount of revenue they would raise through an overhaul of the tax code as well as the savings they would get through changing entitlement programs like Medicare. The deadline for Congress to enact these changes would be some time next year. The largest component is about \$400 billion in tax increases set to take effect January 2, 2012. Those are largely from the expiration of the Bush-era tax rates and of cuts to payroll taxes. At the same time, about \$100 billion in spending cuts, split between military and other domestic programs, will automatically go into effect after January as part of a budget agreement Congress and the White House reached in 2011.

Looming over the talks is the country's \$16.394 trillion borrowing limit. The White House is expected to push to raise the ceiling as part of the deficit-reduction negotiations. President Obama, who wants a deal to include \$1.56 trillion in tax revenue over 10 years, reiterated his insistence that tax rates for families making less than \$250,000 a year should be immediately extended and rates for the top 2 percent of income earners be allowed to rise. Republicans gave no ground on their opposition to raising rates and are demanding any move on taxes be accompanied by entitlement changes.

Finally, deciding how to weigh the two phases of the deficit-reduction plan, under a proposal by house Speaker Boehner, lawmakers would create

"mechanisms" to kick in, if policy makers do not act on the harder tax and spending issues. This could mean, for example, automatic tax increases or automatic spending cuts.

Fiscal Cliff Timeline

As the U.S. inches closer to the edge of the fiscal cliff every day, the precise calendar for the rest of the legislative year and the beginning of the next is becoming increasingly important. The cliff's scheduled spending cuts and tax increases effective in the New Year (if Congress cannot agree on a deficit-reduction package) represents the beginning of a steady tumble rather than a sharp free fall since policy makers face a number of other fiscal challenges with different deadlines.

Extension of Unemployment Benefits would Cost U.S. Government \$30 billion

Enacting a one-year extension of the federally funded Emergency Unemployment Compensation Program (EUC) and temporary provisions of the Extended Benefits (EB) program, both of which currently are due to expire at the end of December, would cost the federal government some \$30 billion.

**DOL Official, Lawyers Discuss Efforts To Stop Firms From Misclassifying Workers**

A Labor Department initiative to partner with federal and state agencies to prevent employers from wrongly classifying their employees is not intended to "get rid of independent con-

tractors but rather to stop employers from taking advantage of workers correctly deemed 'employees' under any applicable legal test," Solicitor of Labor , Patricia Smith said at an American Bar Association conference held November 2.

Speaking at the ABA Section of Labor and Employment Law's annual conference, Smith said the solicitor's office is partnering with other DOL divisions, other federal agencies, including the Internal Revenue Service, and 13 states to crack down on employers that may violate "multiple laws" by misclassifying workers as independent contractors.

Smith said DOL has signed memorandums of understanding with 13 states to pursue at least information-sharing between DOL and state agencies and, in some cases, to permit joint investigations by federal and state compliance officers of suspect employers. "The department also has collaborated with other states more informally," she said.

"DOL's partnership with IRS involves information-sharing by the Labor Department with the federal revenue agency but no information being shared by IRS with DOL," Smith said. Employers that take advantage of an IRS voluntary reclassification program, which allows employers that have improperly used the independent contractor designation to settle with IRS on favorable terms, need not fear that IRS will share those employers'

**Editorial Committee**

Executive Director: Greg Quinn  
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identities with DOL, she emphasized. Smith then told the audience of employment lawyers, "My advice is if your client thinks it is too good to be true, it is too good to be true."

*Source: Bloomberg BNA Construction Labor Report, 11-15-12*

## **Labor Unions Made a Difference in Election, says AFL-CIO President**

The margin by which union members voted for President Obama was decisive in his re-election in a number of battleground states including Ohio, Wisconsin, and Nevada, AFL-CIO President Richard Trumka said on November 7. According to Trumka the outcome would have been different in the above mentioned battleground states without labor's efforts.

And while the election is over, labor's work is not finished. The labor movement now is focused on the lame-duck session and the fiscal showdown with Congress, he said.

International Union of Painters and Allied Trades (IUPAT) Executive General Vice President Kenneth Rigmaiden said that IUPAT will continue to support Obama's policies that benefit U.S. workers. "Now that America has spoken, the IUPAT stands ready to continue its work with President Obama to provide working families with the fair pay, education, retirement benefits and health care they work so hard for every day. We believe that the Obama Administration is on track

to get America working again, and we'll continue to do our part to provide the training for American workers to meet the demands of those new jobs," Rigmaiden said.

*Source: Bloomberg BNA Construction Labor Report, 11-15-12*

## **PDCA Contractor College Now Offers ClickSafety**

One of the many benefits of belonging to LAP&FCA is that you are a member of National PDCA and you are authorized reimbursement on any online classes you take from the Contractor College that requires a fee.

PDCA's ClickSafety program includes:

- Access to a list of 19 Contractor College ClickSafety courses
- A flexible, customizable and "student-centered" interactive e-learning platform.
- A proven approach that has resulted in increased productivity and reduced operating costs for more than 7,000 organizations worldwide.

Whether you take a ClickSafety course yourself or host an Employee Safety Hour Meeting, this valuable new addition to Contractor College can have a significant impact on your business. Learn more at [www.contractorcollege.org](http://www.contractorcollege.org)

## **2013 Q Award Announced**

The Alliance for Quality Construction (AQC - LAP&FCA is a member) announced the selection of the Pacific Design Center's Red Building as the recipient of the 2013 Q Award. Cohen Brothers, the owner, has been contacted and arrangements are being made for a site visit to discuss the details of the event which will be held on a date yet to be determined in June 2013.

"When you choose AQC member contractors and their craftsmen, you hire professionals who are steeped in the traditions of quality craftsmanship. Be it a tilt-up warehouse, a multi-story office building, a school or a shopping-center, be assured that the benefits of union construction are built from the ground up".

## **2013 Date for Day At Capitol Announced**

April 24, 2013 is the date when LAP&FCA as part of the Construction Industry Legislative Council, will join the American Subcontractors Association and other construction trade associations in Sacramento for a full day of championing legislation critical to the respective trades.



Harold & Jo Ellen Gidish with J.R. Grzeskowiak and Terry Osburn at the fabulous Holiday-Charity Event on December 8th at the Pasadena Hilton.



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One of the many highlights of the evening came when Don Vulich presented the Outstanding Member Award to the first woman ever to win the prestigious award. Nancy Grzeskowiak of the Blakely Co. was the well deserved winner and received a much deserved standing ovation as she made her way to the podium. Nancy's support of the Chapter over the years has been remarkable as whether it is a chapter membership meeting, a State or National PDCA convention/conference, or a FCA annual council meeting, she is always there. Nancy has been a regular participant at the annual Day At The Capitol in Sacramento where she voices support or opposition to bills critical to our members. She has also helped in the planning of both of the highly successful State PDCA Conventions hosted by LAP&FCA and is always the first to volunteer when help is needed.

Among the many guests who attended were State PDCA President Terry Osburn; Oscar Meier, Los Angeles Unified School District; Jesus Fernandez, Director of Apprenticeship; Wiley Zagajski, Administrator LMCC; Marci Sanchez, Vice President Operations ATPA; Doug Robbins, Business Representative DC#36; Jeanie Simpelo Executive Director SCGMA.

## Hollywood Sign is New Again Thanks to LAP&FCA Members

by Harold Gidish of  
H&E Equipment Services

Duggan & Associates, Sherwin-Williams, H&E Equipment Services

The Hollywood Sign attracts many tourists from all over the world, and is considered to be one of California's top tourist attractions. Built in 1923 the "sign" has endured weather, graffiti, vandalism, pranks, and who knows how many pictures. Originally it was "Hollywoodland" a real estate promotion and advertising campaign and is now owned by the City of Los Angeles. It is situated on Mount Lee in the Hollywood Hills area of the Santa Monica Mountains.

The sign overlooks the Hollywood district of Los Angeles, the historical center of American cinema.

I have been asked to look at staging this iconic monument many times. This year I was given the opportunity to work with our customer and fellow LAP&FCA member, Duggan and Associates, to finally "hang" the sign for the 2-month long restoration project that was just recently completed. The facelift was organized and funded by the Hollywood Sign Trust (a nonprofit organization) and

the paint was donated by Sherwin-Williams (LAP&FCA Associate Member).

To access the hill where the sign is located one can hike up the trail from the Hollywood side where it takes a few hours to make the trip. Contractor access is by the fire road with proper authorization required along with a few keys to unlock the access gates. The access road takes you to a gate about 60 feet above the sign. There is a steep path that allows access to the base where the staging was set. The support rigging was engineered and designed to attach to the signs veritable pillars used to support the structure. These supporting out riggers were bolted into place at the tops of each letter allowing access to the front side facade. The Altrex stage platforms and Power Climber PC1 hoists were employed to allow the restorers full access to the sign. The process included stripping off the many old coats of older paint, repairing the substructure and applying the new donated paint by Sherwin-Williams.

There were two platforms used by the crews. Each letter had to have the stage size changed to prevent side loading of the rigging. The stages were moved by Duggan's crew who were trained to perform the work. Many trips were taken to transport the stage components down the steep hillside embankment from the access road behind the sign. A daisy chain was formed and the stages modular components were handed down piece by piece. The hardest challenge was taking the hoists down which was accomplished by using a wagon style cart. Power for the stages was provided using a portable generator.

On the day of initial mobilization, the installation crew was given an unexpected gift with the fly-by of the Space Shuttle Endeavor as it made its way to its new and final resting place in Exposition Park across from the historic Los Angeles Memorial Coliseum. The Sign provided a spectacular vantage point for us to observe this historic flight. I am honored for being part of this historic project, which will long be remembered as one of my most meaningful business projects.



Hollywood sign is new again! Thanks to Duggan & Associates, H&E Equipment Services and Sherwin-Williams.