



Los Angeles Painting & Finishing Contractors Association

February/March 2014

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

LAP&FCA MEMBERSHIP MEETING

TUESDAY, MARCH 11, 2014

11:30 A.M. to 1:00 P.M.

"There is More Than One Way to Finish a Wall"

Special presentation on FabricMate,

A system that uses a track, which frames the chosen backing material in high-impact plastic. The fabric covering is inserted into the track's tight fitting jaws which holds the fabric taught and conceals its edges.

Learn about this product which was used in 7,000 UCLA dormitory rooms, and the many other ways it can be used from Cal Costea, Architectural Sales & Support

The new Regulations on Fall Protection

by Harold Gidish of H&E Equipment Services and Scaffold Industry Association

Beckham Grill

77 W. Walnut Street in Pasadena, CA 91103
Associates Meeting 10:50 A.M. to 11:30 A.M.
Social: 11:30 A.M. to 12 Noon
Lunch at 12 Noon followed by Program



INDEX

President's Corner	2
Calendar	3
Legislative News	4-5
INFOLINE	7
Survey by AGC	8

Greg Quinn announces his retirement after 22 years as LAP&FCA Executive Director. His last day will be June 30, 2014. Pictured with wife Kim, who has been a familiar face at chapter meetings, social events and was the decorator for many major events.



President's Corner

Congratulations are in store for several members of the LAP&FCA family. Bruce Morrow was elected President of PDCC (Painting & Decorating Contractors of California) at the 110th annual convention in Rohnert Park on January 28. Bruce has been active at the local and state level and will be a great president. As an associate member, Allie Corey was re-elected to the Board representing the southern half of the state (Secretary South) and will continue to do a fine job.

Our Executive Director for the past 22 years, Greg Quinn, announced his retirement with his last day being June 30. The LAP&FCA Board honored Greg by presenting him with a "surprise" plaque of appreciation at the PDCC Awards luncheon on January 28 and his wife Kim with a colorful bouquet of flowers. We deeply appreciate all that Greg and Kim and his entire family have contributed to LAP&FCA over the many years of dedicated service and wish them well in retirement.

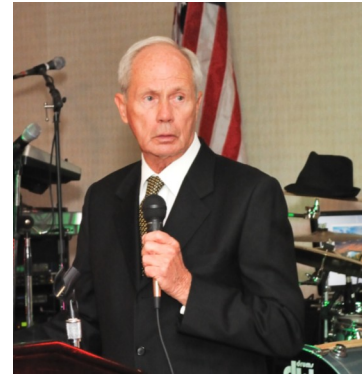
We didn't have to go far in our search for LAP&FCA's new Executive Director as Don Vulich is stepping aside from Endurance Painting and leaving the business in the capable hands of his son Austin. While running a business, he served as a trustee, on the LMCC Committee, was a negotiator for several agreements and has been active in the legislative area. Don made himself available for the position and

LAP&FCA is fortunate to have a person of Don's experience and stature to become only the third Los Angeles Chapter Executive Director in the past 50 years.

One of LAP&FCA's most popular annual events is coming up on Saturday April 5th with the "Day At The Races" at Santa Anita Park. It really is a great way to spend a Saturday with family and friends and you can ask anyone who has attended and I guarantee you will get an enthusiastic response.

The California Subcontractors Legislative Conference is set for Wednesday April 2 in Sacramento and there is no better way to let your elected officials know your thoughts on issues of importance to you and your business than to speak directly with them. Something to think about, if your representative doesn't hear from you he/she will hear from someone else who might not share your viewpoint. Many of your Board attended last year and those who had never attended before thought the time they spent was very worthwhile. If you are interested in attending don't hesitate in calling your chapter office at 323-258-8136 for further information.

The 2014 PDCA Expo is in Reno, March 12-15, and a Union Contractor Program is scheduled for Thursday, March 13, from 9:15 to 11:30 a.m. LAP&FCA feels that those union contractors belonging to PDCA should have a program of direct



Rob Stewart

interest to them and have been arranging this meeting for the past several years. Speakers include: Tony Darkangelo (CEO FCA International) Nick Carrillo, FCA International Vice President, Western Region, Steve Havens, LMCI Liaison Western Region and Western Canada, Jesus Fernandez, Director DC#36 Apprenticeship School. Don Vulich will emcee the program.

I hope to see you at one or all of our upcoming meetings/events and be sure to attend the March 11 LAP&FCA Membership Meeting at the Beckham Grill, which will feature another informative topic of value to you and your business.

CALENDAR

WHEN

WHAT

WHERE

March 11
11:30 a.m.

LAP&FCA Member Meeting

Beckham Grill
Pasadena

March 11
10:45 a.m.

Associates Meeting

Beckham Grill

March 11
1:30 p.m.

Board of Directors Meeting

Chapter Office

March 12-15
March 13 (9:15 - 11:30 a.m.)

PDCA Expo 2014
Union Contractor Program

Grand Resort & Casino
Reno, NV

April 2

California Subcontractors
Legislative Conference

Sacramento
Hyatt Regency

April 5

LAP&FCA Day At Races

Santa Anita Park

April 23-26

FCA International
Leadership Council

Phoenix AZ

April 30-May 2

QCA National Issues
Conference

Washington DC



LEGISLATIVE NEWS



STATE

California Subcontractors Legislative Conference April 2

Subcontractors, suppliers and industry service providers will be gathering at the Hyatt Regency Sacramento across the street from the Capitol to discuss pending legislation that affect the construction industry. The time to make your mark on the issues in 2014 is during this conference when the bills are being amended for committee hearings and voting. Attendees will have the opportunity to visit their own senator and assembly member after learning how to lobby their position on the bills. Talking points will be provided. The event is the least expensive and most productive way to get your message across. The \$150 registration fee includes breakfast, lunch and program featuring guest speakers and a review of issues to be discussed with your legislators at the State Capitol.

If you are interested in attending, please contact your chapter office at 323-258-8136.

The American Subcontractors Association listed some issues along with others that attendees will want to learn about and lobby:

- Subcontractor's right to stop work for nonpayment
- Cleanup bill on SB293 to delete the loophole for projects declared to be "substantially complex"
- Cleanup bill on SB474 to clarify additional insured coverage not to include A1's active fault

The way to get started is to quit talking and begin doing.

Walt Disney, American Animator

By April there will be other measures that will require our involvement.

LAP&FCA has been participating in the "Day At The Capitol" for many years and last year had a tremendous turnout of Board members who took the day off to make their voice heard in Sacramento.

FEDERAL

FCA Legislative Update - week of February 3, 2014

Congressional Overview

Congress entered last week without a bipartisan agreement on how to address the debt ceiling with the Obama Administration telling lawmakers they should take steps to raise the nation's borrowing cap before February 7. Treasury Secretary Jacob Lew says extraordinary measures can be taken by the department to prevent default, but he also expects these measures to be exhausted later in the month. Yet House Republicans, who gathered at their annual private retreat two weeks ago, continued to hedge on what, if any, concessions

they might ask in return for their support on an increase in the \$17 trillion borrowing limit.

How much leverage the GOP holds with Democrats and President Obama, who will not negotiate over paying the country's debts, remains to be seen. Speaker John Boehner says House Republicans will not approve a debt-ceiling increase without concessions, but he has also said defaulting on the nation's debt is the wrong thing, indicating a showdown is unlikely.

In the Senate, Budget Committee Chairwoman Patty Murray is leading the non-negotiation chorus for Democrats, and no decision about whether the Senate will take up the debt-ceiling issue before the House has been made. The question likely was discussed at a closed-door retreat for Senate Democrats at Nationals Park in Washington DC on Wednesday, where lawmakers heard from President Obama and Bill Clinton. Senate Republicans also went on a retreat Wednesday, heading to the Library of Congress to chart their own course over the debt limit. Senators are in close contact with their House colleagues and are aiming to mount a united front against Majority Leader Harry Reid and the White House.

Keystone XL Pipeline Unlikely to Significantly Increase Greenhouse Gas

The State Department released its Environmental Impact Statement on January 31, which said "Keystone XL is unlikely to significantly increase

greenhouse gas emissions." Advocates saw the report as a clear indication that President Obama should approve the project, but the White House is saying that's not the case and that further analysis is needed. Over the next 90 days, Secretary of State John Kerry and other agencies will determine whether or not the project is in the nation's best interest. Simultaneously, the department will open up the public comment period.

CBO Releases Annual Budget and Economic Outlook

On February 4, the Congressional Budget Office (CBO) released its annual Budget and Economic Outlook, setting out a new baseline estimating what spending, taxes and the deficit would be for the next 10 years if all current laws are followed. The report indicates that economic growth will remain slow this year. The CBO anticipates gradual improvement in many of the forces that drive the economy will be offset by the effects of budgetary changes that are scheduled to occur under current law. After this year, the CBO projects that economic growth will speed up, causing the unemployment rate to decline and inflation and interest rates to eventually rise from their current low levels.

Nevertheless, the unemployment rate is expected to remain above 7.5 percent through next year. If that happens, 2014 will be the sixth consecutive year with unemployment exceeding 7.5 percent of the labor force (the longest such period in the past 70 years). If the current laws that govern federal taxes and spending do not change, the budget deficit will shrink this year to \$845 billion, or 5.3 percent of gross domestic product (GDP), its smallest size since 2008. In the CBO's baseline projections, deficits continue to shrink over the next few years, falling to 2.4 percent of GDP by 2015.

Deficits are projected to increase later in the coming decade, however, because of

the pressures of an aging population, rising health care costs, an expansion of federal subsidies for health insurance and growing interest payments on federal debt. As a result, federal debt held by the public is projected to remain historically high relative to the size of the economy for the next decade. By 2023, if current laws remain in place, debt will equal 77 percent of GDP and be on an upward path.

Senate Republican Leader Not Optimistic About Immigration Reform in 2014

On February 4, Senate Republican Leader Mitch McConnell (KY) stated that he does not see any way the Democratic-controlled Senate and GOP-led House will agree on immigration reform legislation this year. A deal is unlikely given what he called the irresolvable differences between the Senate and House.

"I think we have sort of an irresolvable conflict here," said Sen. McConnell. "The Senate insists on comprehensive legislation. The House says it won't go to conference with the Senate on comprehensive and wants to look at (it) step by

step. I don't see how you get to an outcome this year with the two bodies in such a different place."

Senate Democrats say immigration legislation must include all the major components of reform, tying a path to citizenship for an estimated 11 million illegal immigrants with border security and workers visa provisions. The House's "Standards of Immigration Reform" largely reflect the Senate-passed bill, but it does not include a direct path to citizenship for millions of illegal immigrants.

PBGC Publishes Multiemployer Pension Plan Regulations Rule

On January 29, the Pension Benefit Guaranty Corporation (PBGC) published a proposed rule that would implement changes to the PBGC's multiemployer regulations. The changes were developed as a result of PBGC's regulatory review. The proposal would reduce the number of actuarial valuations required for certain small terminated plan (but not insolvent plans), shorten the advance notice filing requirements for mergers in situations that do not involve a compliance determination and remove certain insolvency notice and update requirements. Comments on the proposed rule are due March 31.



2014 James Bohn Memorial Award presented to Steve Fagrey (Steves Painting Oakland) by Don Vulich at PDCC Convention. The prestigious Award has been presented annually since 1989 by the Los Angeles Chapter. Don will be the new LAP&FCA Executive Director effective July 1 (See President's Corner).

OSHA Predicts It Will Do More Than 37,600 Inspections

by Bruce Rolfsen as appeared in Bloomberg Construction Labor Report, 02--6-14

With federal inspection activities fully funded at \$207.8 million and the whistle-blower program getting a \$2 million boost, the Department of Labor's Occupational Safety and Health Administration's enforcement efforts for fiscal 2014 are solidifying.

OSHA projects that it will conduct 37,635 federal inspections for 2014. Currently, OSHA considers each inspection the same, whether it takes six months for a process safety management review or six hours at a construction site. By weighting inspections, OSHA will take into account resources required for different types of inspections. Since 2011, OSHA administrator David Michaels has advocated for doing fewer inspections but a greater number of time-consuming ones.

OSHA has asked for funding to pay for 47 new positions to handle and investigate whistle-blower complaints, raising the number of whistle-blower staff members to 162. But the agency's whistle-blower budget grew by only \$2 million to \$17 million, not the \$21.9 million allocation OSHA had requested.. The agency justified the new positions, saying they were needed to help reduce a case backlog and cope with the additional work created by recent laws such as the Food Safety and Modernization Act and the Affordable Care Act.

More Than 500,000 Employers Enrolled in E-Verify Program

by Laura D. Francis as appeared in Bloomberg Construction Labor Report, 01-3-14

More than 500,000 U.S. employers now are enrolled in the E-Verify electronic employment eligibility verification system, the Homeland Security Department's U.S. Citizenship and Immigration Services announced January 23. "Since it was established, E-Verify has experienced exponential growth, increased accuracy and high customer-satisfaction ratings," Lori Scialabba, action USCIS director, said in a statement. "Participation in E-Verify is largely voluntary, so the fact that half a million companies have signed up demonstrates significant confidence in the program." Employers using E-Verify has seen "significant growth" since it was established in 1996, going from 11,474 employer enrollments in fiscal year. 1996 to 111,671 in FY 2012. In FY 2013, employers used the system more than 25 million times, the agency said.

The agency said employers receive a response from the system as to an employee's work eligibility within seconds, and 98.8 percent of work-authorized employees are confirmed immediately or within 24 hours, requiring no additional work on the employer's part. The USCIS added that E-Verify users gave the system a rating of 86 out of 100 on the 2012

American Customer Satisfaction Index (ACSI) survey-compared with the average score of 67 for all government agencies.

The USCIS said it has been working to improve the system, including entering E-Verify agreements with some states "to ensure the authenticity of drivers licenses that employees use as identity documents." The agency also introduced Self Check, which allows employees to check their own work eligibility before applying for a job, and recently introduced a program that allows E-Verify to "lock" Social Security numbers that appear to be misused as a means of combating identity theft.

To commemorate the "milestone" of reaching half a million participants, the USCIS released a new video, "E-Verify for Business Leaders," which describes the system's benefits to potential users. The USCIS also updated the E-Verify website, <http://www.uscis.gov/E-Verify>, to include "more plain-language content and easy-to-follow graphics" as well as an "E-Verify History and Milestones" page.

**Daylight Savings
Time Begins
on
Sunday, March 9, 2014**

Editorial Committee

President: Robert Stewart

Executive Director: Greg Quinn

Edited by J.Q. Printing

LAP FCA Chapter News is printed bi-monthly by the Los Angeles Painting and Finishing Contractors Association Inc., 1106 Colorado Blvd. Los Angeles, CA 90041 (323)258-8136

While this newsletter is designed to provide accurate information and authoritative information on the subjects covered, the Association is not engaged in rendering legal, accounting or other professional or technical services. Accordingly, the Association cannot warrant the accuracy of the information contained in the newsletter and disclaims any and all liability, which may result from publication of, or reliance on the information provided herein. If legal advice or other expert assistance or advice is required, the services of a competent professional person should be sought.

LAP&FCA Reaches Out To Community

LAP&FCA has long been a benevolent association coordinating many charity projects over the years with the help of DC#36 and LAP&FCA Associate Members. We would like to share the following recent letters of appreciation from Rancho Camulos Museum and Catholic Charities.

Letter dated December 30, 2013 from Susan Falck, Director Rancho Camulos Museum:

Dear Greg (LAP&FCA),

On behalf of the Board of Directors of Rancho Camulos Museum, thank you for the outstanding job the Los Angeles Painting and Finishing Contractors Association did painting the museum's new welcome center. Your instructors and apprentices (DC#36 apprenticeship school) took on a daunting task to prep and paint the moldings, trim and ceilings of our 1920 small adobe building. The finished work is magnificent and really brings the building to life again.

The museum recognizes that this generous contribution by your organization saved the museum a substantial sum of money that can be put towards other program costs. It was a pleasure to work with your group and I hope you won't hesitate to call if the museum can do something in

return for your organization in the coming months. We would be happy to make the museum grounds available to the group for a picnic or some other social event. Additionally, we will be hosting a "soft" opening of the building in 2014, and will invite you to join us in this celebration.

Again, thanks very much for putting your talents to work on behalf of Rancho Camulos Museum. Best wishes for a happy and healthy 2014.

Letter dated December 27, 2013 from Fernando Sarabia, Program Director Catholic Charities:

Dear Greg (LAP&FCA), I would like to take the chance to thank you for the wonderful evening we shared at your Holiday-Charity Event on December 14. The food was spectacular as the entertainment. Alma, Larry and I really enjoyed such a fantastic evening.

Thank you for all the toys that were donated to us. Your generosity helped us give many children in our community a bit of joy this Holiday Season. Your continuous support is greatly appreciated. El Santo Community Center wishes you and everyone at LAP&FCA a Happy New Year!

INFOLINE

LAP&FCA Day At The Races on April 5

The popular Day At The Races will be held on Saturday April 5 at Santa Anita Park in Club Plaza, an area reserved exclusively for LAP&FCA members, family and guests. Besides being able to view the races live, the \$40 per person includes valet parking, admission, gourmet buffet, private wagering windows and a chance to win many exciting raffle prizes donated by chapter associate and contractor members.

April 5 is also "Derby Day" the largest purse of the year.

You are encouraged to make your reservations early for this annual event which regularly sells out!

LAP&FCAs Bruce Morrow Elected PDCC President

LAP&FCA Board Member Bruce Morrow was elected President of the California State PDCA Council on January 28 at the DoubleTree Hotel in Rohnert Park as part of the 110th Annual Convention. Bruce was installed along with the entire 2014 Board, including LAP&FCA Associate Member Allie Corey, at the ceremony on the evening of the 28th.

Q Award to be presented to Emerson College in June

The Alliance for Quality Construction (AQC) announced that the recipient of the 2014 Q Award will be Emerson College in Hollywood. It is a unique structure and was one under a PLA, 100% accident-free, Gold LEED certified and boasts Jay Leno and Henry Winkler among its graduates. The general contractor was Hathaway Dinwiddie. The event will be held in June on a yet to be announced date.

LAP&FCA has been a member of AQC since its inception some ten years ago.

PDCA Expo 2014

Reno and the Grand Sierra Resort & Casino will host this years' PDCA Expo March 12-15. The Union Contractor Program is slated for Thursday March 13, 9:15 - 11:30 a.m.



2014 PDCC Board Installed on January 28 at annual convention in Rohnert Park. Right to left: Bruce Morrow, Mark Buffi, Cleve Dayton, Steve Fagrey, Allie Corey, Jim Bower, Evan Ellithorpe, Greg Cato.

Survey by AGC Predicts Good 2014 for Construction Industry

Construction contractors are optimistic about the industry's outlook in 2014, with many firms planning to hire again, predicting demand to at least remain stable in multiple commercial construction market segments. Thus stated by the Associate General Contractors of America in a survey and accompanying report released on January 21.

According to the survey, "Optimism Returns: The 2014 Construction Hiring and Business Outlooks," this year is set to be the construction industry's best one since 2009. More than 800 firms representing all 50 states and District of Columbia responded to the survey. For the first time since 2008, when the AGC started conducting its annual outlook survey, a plurality (37 percent) of responding contractors said they expect the construction market to grow again this year. Thirty-two percent of firms said they predict growth in 2015, 17 percent in 2016, and 15 percent in 2017 or later. "While the industry has a long way to go before it returns to the employment and activity levels it experienced in the middle of the last decade, conditions are heading in the right direction," AGC's chief executive officer Stephen Sandherr said in a statement.

Optimism Voice in Most Market Segments

The survey covered 11 construction market segments. In the power; manufacturing; hospital/higher education; retail/warehouse/lodging; and private office construction segments, at least 40 percent of

firms said they expect to compete for projects with a higher available dollar volume than in 2013, while fewer than 20 percent of firms predicted a lower available dollar volume. Optimists also outnumber pessimists in almost all other market segments the survey covered, including highway, other transportation (such as transit and airports), public building, private office, and K-12 school construction. The only exception was in marine construction, where 21 percent of firms expect the market to shrink and 18 percent see growth ahead.

The report noted that survey responses varied significantly by region. Contractors in the South were the most optimistic in about seven of the 11 covered market segments, the reports said, while contractors in the Northeast were the least optimistic in eight of the 11 segments. According to the survey, more firms are expecting to add to their payrolls than to make layoffs. Specifically, 41 percent of firms that didn't change their staff levels in 2013 reported that they plan to hire new workers this year, and a mere 2 percent said they're headed for layoffs. Both new hires and staff cuts are generally predicted to be modest. Eighty-six percent of firms eyeing expansion said they intend to hire no more than 25 employees this year, and 100 percent of firms predicting layoffs said they expect to cut at most 15 positions.

Many Firms Report Difficulty Filling Certain Posts

Respondents to the survey identified some areas of concern. For instance, 62

percent of contractors said they are having difficulty filling key professional and craft worker positions. "In particular, many firms report having a hard time finding qualified worker to fill project manager or supervisor positions, equipment operators, carpenters and laborers," the report said. The reports added that 65 percent of firms predict that it will be at least as hard to find qualified construction professionals during the next 12 months. Seventy-four percent of firms say it will be at least as hard to find qualified craft professionals in that period.

Respondents Also Assess Federal Policies, Rules

The AGC said in the report that officials in Washington can take certain "clear steps" to support the construction industry. "Foremost among those in taking steps to make it easier for education officials to establish career and technical programs to help prepare the next generation of workers," the group said. "They also need to reform the tax code, rethink their approach to health care reform and incentivize investments in costly construction equipment," it said. 77 percent of firms reported that getting Congress to pass measures to make it easier to prepare the next generation of skilled workers is important to the success of their business, "according to the report. 63 percent of firms want Congress to repeal all or part of the Affordable Care Act (Obama care), 63 percent want Congress to renew tax deductions and bonus depreciation for construction equipment and 59 percent want Washington officials to reform a tax code that forces construction firms to pay higher effective tax rates than most other businesses," the report said. In addition, federal officials must reassess growing budgetary shortfalls and maintenance backlogs in the area of public infrastructure, the association said in the report.

Source: Bloomberg BNA Construction Labor Report, January 30, 2014



January 14 LAP&FCA membership meeting featured Nick Weintraub of Leavitt Pacific Insurance Brokers (Workers Comp update) as guest speaker. Left to right: Raz Bronstein (Shapirro-Ben-Basat), Tom Unsell (National Coating & Lining), Nick Weintraub, Bruce Morrow (Morrow Painting) and David McLean (Summit Painting).