

Annual PDCC Convention Hot on Insurance Coverage and Safety Issues

The Painting and Decorating Contractors of California held their annual convention and business meetings January 28-30 in Los Gatos, California. First let me say it was a very pleasant location in that Los Gatos is a quiet yet active suburb of San Jose, filled with quaint shops and antique boutiques. It was a great way to attend meaningful meetings and seminars, and at the same time “get away from it all”.

On Thursday, the Insurance Committee met and the PDCC was presented with a check in excess of \$8,900.00, payment of the latest rebate from our endorsed insurance broker, Leavitt-Pacific, represented by Nick Weintraub. The meeting then became an open discussion of topics and issues such as Employee Liability coverage, workers compensation and general liability rates and marketplace trends.

PDCC Executive Director, Sharon Hilke, then led a discussion of the recent development of the workers compensation group program that is available to PDCC members. The program features a 5% premium discount, with additional reduction modifications available to eligible contractors. The coverage is with an A+ A.M. rated insurance carrier and includes many construction class codes, with contractor access to risk management access and a low minimum payroll eligibility. This is a major accomplishment for PDCC in replacing the loss of State Fund Group 12 in early 2015.

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2015 LAP&FCA Annual Holiday Dinner / Dance and Toy Drive

This annual event allows LAP&FCA members, their families and employees an opportunity to relax and enjoy an evening of food, drinks, dancing and reacquainting with friends.

See photos on page 7.

Don't Miss Our Next LAP&FCA Meeting!

May 3, 2016 • 11:30am — 1:00pm



Note:
Meeting location
to be announced

Associates Meeting 10:50am — 11:30am
Social: 11:30am — 12 Noon
Lunch served 12 Noon followed by Program





Tom Unsell - Chapter President

From the old year and into the new, the Board of Directors and I have been busy attending meetings and functions to better serve our industry. The time away from my office, though difficult, is always worthwhile as there are so many new concepts and developments that face our industry. One such event was the jointly sponsored Finishing Industry Forum (FIF) held in December in Las Vegas. The LAP&FCA had several members present and we were able to cover multiple breakout sessions and FCA committee meetings. The plenary speakers were, as usual, very knowledgeable and informative. I especially like the smaller breakout sessions as they provide a

greater degree of intimate interaction. One such session was presented by our own marketing advisor, John Tenorio of J. Arthur and Associates. During this session we took a hard look at the challenges facing our industry as we attract new employees of the "millennial generation".

We also attended many other sessions on topics such as getting paid, bid shopping, OSHA updates and estimating best practices. Our board members also attended the Finishing Contractors Association Committee meetings covering the industrial and commercial portions of the industry, and others such as the government relations, safety and painting & wall covering advisory committee. Two particular items of interest to contractors from these meetings I'd like to mention here. First is the current battle over scaffolding jurisdiction and exactly who should be responsible for that portion of work. Should the painting contractor strictly control that or should it be a separate domain on to itself. There seem to be many on both sides of the issue and the IUPAT, especially on the east coast, seek to maintain jurisdiction over this, while some industrial painting contractors don't want to be burdened with the cost and inventory required of a scaffolding contractor. The second issue came out of the painting & wallcovering advisory committee where a long and passionate discussion was heard regarding multiple levels of journeyman pay scales. This test based multi-wage level is available in Washington State and has many supporters as well as detractors.

functions such as FIF and FCA, I always find it so informative and a great experience. The 2016 FIF will be held in Orlando Florida in October and I strongly hope many of you can attend.

One final thing I'd like to address in this column is the approaching negotiations with District Council #36. As I write this I can report that each of the 5 employer associations within the boundaries of DC#36 have joined together to form a single negotiating alliance and will do all within our power to work out a new contract that is a benefit for both sides of the bargaining table. No formal meetings with labor have yet taken place but soon we will sit down and have a much better understanding on issues that are important to both labor and management. Please contact Don in the chapter office for updates or to offer suggestions.

Tom Unsell

We Have an iPad Winner!

After attending membership meetings and earning tickets to a year end drawing, **Jon Claypool** of C.L. Industrial Coatings won the iPad.



Remember, each time a contractor attends a General Membership meeting they will earn one attendance ticket for the drawing, and if you make it to all six meetings you will be granted two (2) bonus tickets. Then at the 2016 Holiday party one lucky contractor will win a cool electronic device.

I can truly say that although it is hard to fit in the time away to attend

LAP&FCA Chapter News

Editorial Committee
 President: Robert Stewart
 Executive Director: Don Vulich
 Edited by DS Publishing

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Website: LAPFCA.org

LAPFCA is a proud member of:



l to r: Janet Pineda-District Council 36 Compliance, David Piazza-Miller Kaplan, Wiley Zagajewski-LMCC, Harry Cook-District Council 36, Bert and Rocio Moreno-Pacific Southwest Administrators; Jesus Fernandez-District Council 36 Apprenticeship Director.



Roger Rivas-Promark, Richard Bratinecevic and Joe Chan-Morgan Stanley, Allie Corey-Colors In View, Tom Unsell and Rob Stewart-LAPFCA Board Members; Jim Parsons; Rosio Moreno-PSWA; Mark Buffi-PDCC President with Aubrey Vulich at Memorial Service.



Calendar

2016

March 8, 2016

General Membership Meeting
 Tam O'Shanter, Glendale

March 8, 2016

Board of Directors Meeting
 Chapter Office, Los Angeles

March 9-12

PDCA Contractors Expo
 New Orleans, Louisiana

April 9

LAP&FCA Day at the Races
 Santa Anita Park, Arcadia, CA

May 3, 2016

General Membership Meeting TBD

May 3, 2016

Board of Directors Meeting
 Chapter Office, Los Angeles

May 11-14, 2016

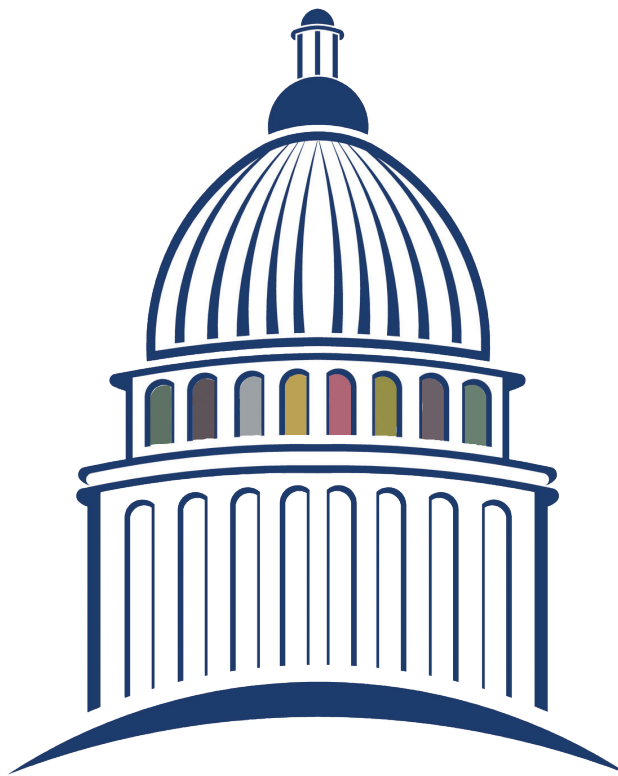
FCA Leadership Council
 San Juan, Puerto Rico



As we are into the final year of both the congressional and state legislative sessions, there is little new to report regarding issues of recent importance to the painting industry. However I can give some updates on what we hope to see in 2016 and in the new sessions that will begin next year. Bear in mind that the progression of bills through the legislative process always seems to slow during an election year.

One positive development coming out of 2015 was the passage of a long term highway bill, as opposed to the 6 month stop-gap funding we've seen in the past several years. This is an issue the FCA and IUPAT have jointly supported over the past few years in order to provide stability in the ongoing task of bridge anti-corrosive coatings. With the long term funding in place, scheduling and known workloads can be more adequately adhered to, and thus protect the public from disasters such as the bridge collapse of a few years ago.

At the federal level we are hopeful to see continued reform in the multi-employer pension arena as the FCA and IUPAT



advocate for a move towards a “composite plan” to replace the current defined benefit plans. In this regard, Rep. John Kline (R-Minn.) has proposed draft language to the House Education and Workforce Committee promoting such a plan. “We’re now working to develop reforms that will modernize the multi-employer pension system, improve the financial outlook of the federal insurance agency overseeing defined benefit pension plans, and provide workers with a new, innovative option to plan for retirement”, said Congressman Kline. There are some opposing viewpoints however, as former Pension Benefit Guarantee Corporation (PBGC) Director, Joshua Gotbaum and others, are concerned that the new design

will harm existing “legacy plans”. I believe that the new design has allowances that preserve the legacy plans, while also providing for a transition to the new composite style plan. A secondary benefit to the composite plan is that the PBGC will not be liable for funding shortfalls as is the case in a defined benefit plan. Hearings in both the House and Senate on this subject are scheduled as I write this article.

A final note at the federal level is our continued effort to strengthen safeguards against worker misclassification. Late in 2015 a panel of management and employee side lawyers convened in Washington to address the issue. Workers are often exposed to liability of workers compensation and indemnity when they are hired as independent contractors rather than employees, and employers are also under-protected from liability claims as well. Yet there still remain illegitimate contractors who are willing to risk such exposure in order to under pay on wage and benefit requirements, in addition to tax savings. This will continue to be an indus-

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try challenge that FCA and others will continue to monitor.

Shifting gears to the state level we are continuing to seek legislation on prompt pay and expedited issuance of change orders. Last year saw the intro-

duction of such a bill that quickly became undesirable to contractors, due to heavy lobbying from awarding agencies such as cities and school districts. Fortunately, Governor Brown vetoed the bill and we hope to find new bipartisan support in the 2017-18 session.

A second issue that is a high priority for the American Sub-contractors Association of California (which LAP&FCA is a member) is indemnity reform and the obligation to provide additional insured coverage. If not careful,

and sub's read contracts closely to determine where boundaries of liability are drawn. There is some movement to simplifying this practice to wording that places liability only on the negligent party, and away from broad, shared responsibility of negligent acts. One major hurdle is that legislators need to see some grand example of abuse from a contractor or sub-contractor before they will act on this. Add to that this being an election year and legislators are reluctant to anger one side or another on hot topic issues. Again, we will continue to monitor all these bills and issues in the coming months.



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District Council 36 Apprenticeship Program Honor the Next Crop of Highly Skilled Craftspersons.



Photos: (1.) A capacity crowd at Luminarias Restaurant & Conference Center in Montebello, CA; (2) Left to right: Apprenticeship Director Jesus Fernandez with a few of the many Apprentice Graduates Julie Legardye, Angel Webster, and Evelyn Turalva; (3.) Taylor Noun, Jason Zarobinski, and LAP&FCA Chapter President Tom Unsell; (4.) LAP&FCA Executive Director Don Vulich, Jesus Fernandez, and Tom Unsell.



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On Friday morning the PDCC sponsored two highly attended seminars, "Paint Failures and Fixes" presented by Bob Cusumano, and "Employee Safety Fall Protection, training and certification" by instructor Jim Parsons. Each of these seminars was performed to a standing room only audience, the interest being quite high. In the afternoon, PDCC hosted the annual trade show with over 30 booths and industry presenters, highlighted by the grand prize give-

away of a Graco spray pump. Our entire supplier partners were very pleased with the overall attendance at all the sponsored events.

Saturday's schedule was full with the morning business session, awards luncheon and the evenings President's Banquet and installation of officers. The LAP&FCA is well represented on the State Executive Committee by newly installed vice-president Austin Vulich and Board member Rob Stewart. The weekend also was blessed with several social

events including a welcome reception on Thursday evening, a treasure hunt on Friday and a fun filled Bocce "Tournament" on Saturday. Past PDCC President and Tri-County member Russ Phillips was presented with the LAP&FCA sponsored "Jim Bohn Award" at the Saturday luncheon in honor of his many contributions to the California Council. Don't you wish you were there?!!



November and January General Meeting Recap

At our last two General Membership meetings, speakers presented topics of interest for our contractor members. First, we were instructed on reporting requirements for compliance with the Affordable Care Act, also known as Obamacare. As members of a multi-employer health insurance group, our third party administrators are required to report to the IRS employees who are insured as a result of their employment in the District Council 36 plan. Rocio Moreno, of Pacific Southwest Administrators (PSWA) explained how this reporting will be accomplished, however employers are also required to report covered employees to the IRS. Mrs. Moreno outlined the requirements for this filing, including the deadlines to avoid delinquency. At this point, only employers with over 50 employees (yearly) are required to submit data, but that may change as the program moves forward.

As far as reporting deadlines are concerned, there has been a change in the dates for filing reports after our November meeting. At that time, the deadline dates were February and

March depending on whether they were to be filed electronically or via mail. However, the Treasury Department announced in late December that those dates have been extended to as late as June 30th. The Department of Treasury said it was acting in response to employer confusion and wanted to ease the first year difficulties of compliance. A word of advice

*Finishing Trades
Institute...
on the leading edge.*

to employers: "When in doubt, check it out!" Contact the IRS to know what forms are required, and what the current filing deadlines are.

The second portion of the November meeting, presented by the Director of Apprenticeship Jesus Fernandez, was an overview of current training techniques for both apprentices and journeypersons. The Finishing Trades Institute strives to be on the leading edge of providing the most capable apprentice training and journeyperson upgrades. We are also actively looking for a

new facility to relocate all training except industrial coatings. We have really out-grown the Commerce property and need to expand, and that includes finding a satellite location in Bakersfield. Following the November meeting, Jesus, Don Vulich and other interested parties have had several meetings identifying our financial parameters and have narrowed the list of potential properties to those that fit our needs and purchase ability. This may actually be completed in 2016.

In January our General Membership meeting was held at the Acapulco restaurant in Glendale and Richard Bratincevic of Morgan/Stanley (a LAP&FCA Associate member) presented the group with broad overview of the current economic picture and also a glance ahead. It appears that we are headed for uncertain growth and perhaps we may see "market adjustments" that add to the up and down nature of the market in 2016. If the performance of January and February are an indicator, it looks like his presentation was spot on!



2015 HOLIDAY DINNER & TOY DRIVE

The LAP&FCA dinner/dance and toy-drive benefiting **El Santo Niño** of Los Angeles was held at the Glendale Embassy Suites Hotel. This Holiday Dinner was well attended capping off with special recognition from LAP&FCA to El Santo Niño, and outstanding member **Alley Corey**.



Photos by Nils Vidstrand



FROM OUR EXECUTIVE DIRECTOR

During the past several months, I have been very busy representing the association and our industry in many ways. Twenty-first century challenges present major obstacles that must be overcome, or at least mitigated, as much as possible. Managing health-care plans, protecting pensions, and training our future workforce are at the forefront and need constant attention, and I've been quite active becoming as informed as possible, as well as being a spokesperson on these issues.

I spent several days attending the International Foundation of Employee Benefits Conference, focusing on healthcare and pension reform. A major task facing healthcare trustees is the double-edged sword of providing the greatest level of covered benefit versus controlling the cost required to pay for those benefits. Managed care was one of the topics I concentrated on, but that is never an easy task with multi-employer groups such as ours.

Healthy lifestyle incentives are difficult to enforce, especially when the majority of the covered workforce is oftentimes beyond the immediate control of the healthcare providers.

For example, single employer workplaces can offer health club or gym memberships to employees in the hope of creating healthy lifestyle choices. In that type of environment the employer can track usage of the incentive, encouraging employees to take advantage of the extra benefit, with the hope that in the end the group is less likely to need expensive healthcare. Monitoring progress becomes more difficult in the multi-employer groups as employees are often removed from easy follow-up procedures. Something as simple as smoking cessation efforts become harder to track as employees move from one workplace to another.

On another front, the LAP&FCA continues to participate in the efforts of pension reform. Last year we gained some concessions in this

regard, but there is still much work to be done. At the Employee Benefits Conference I attended sessions on alternate pension design, and following that I traveled to Washington DC where, along with several other Finishing Contractors Association members, we lobbied members of Congress to support reform efforts. It is our hope to modify multi-employer plans to become a composite style that combines the advantages of defined benefit and defined contribution plans into a more sustainable package. The main objective in this is to continue employee retirement stability and at the same time reduce and even eliminate employer unfunded liability responsibility. At this point, chances for reform are slim, but we are hopeful that at the end of the current congressional session in late 2016 we will see some success.

Don Vulich



LAP&FCA members were in attendance as **Kenneth E. Rigmaiden**, General President of IUPAT was awarded for assistance of job creation in Los Angeles by L.A.A.N.E.



Marketing consultant **John Tenorio** provides apprenticeship recruitment insight to two full sessions at the 2015 Finishing Industries Forum, Las Vegas, NV.

After 40 years' experience in manufacturing and rentals of suspended scaffold, **Harold Gidish** has joined the SKY CLIMBER family of companies. This new venture has its roots in Southern California, where Harold oversees a brand new rental division as partner and general manager of SKY CLIMBER ACCESS SOLUTIONS CA, LLC. Services offered also include safety equipment, boom lifts and scaffolding.

Gidish comes to Sky Climber with a strong background in the suspended scaffold industry where he has played an intricate role throughout his career. His involvement includes assisting in the formation and execution of the Scaffold Access Industry Association (SAIA) Suspended Scaffold Training program, development of its educational DVD and updating of numerous revisions of the Codes of Safe Practices for Suspended Scaffold. Harold continues to contribute his time, knowledge and energy as Chair of the SAIA Suspended Scaffold Council.

CUTTING TO THE QUICK SAVE THESE DATES

April 9, 2016 - Day at the Races
Santa Anita Park, Arcadia, CA

May 3, 2016 - Membership Meeting / Board Meeting
Membership Meeting Location TBA / Board at LAPFCA Offices