

Advocacy in the Halls of the US Capitol as Congress Debates the Highway Bill and Multi-Employer Pension Reform.

The LAP&FCA invited Mike Oscar, Legislative Director of the Finishing Contractors Association, to Los Angeles to speak with industry leaders at its July General Membership meeting. Invitations were sent out to members of all five local FCA affiliates, and labor representatives to become more informed regarding efforts on key issues before the United States Congress.

Mike is a very informative speaker who also brings extensive knowledge and experience within the halls of Congress, having served as chief of staff for former Senator Arlen Specter of Pennsylvania. With his background as a key member for a long serving senator, Mike knows the correct methods of speaking with congressional aides, and how best to inform them on complex issues.

The FCA has identified many legislative priorities for the current congressional session, such as immigration reform, misclassification of workers, comprehensive tax reform, prompt pay to contractors, proper bid listing on construction projects, opposing efforts to suspend or modify Davis-Bacon provisions, a long term highway infrastructure bill and relief for multiemployer defined benefit pension plans. During his July visit, Mike concentrated his remarks to the last two issues.

A long-term highway bill is important to FCA members as many bridge structures need corrosion prevention and our members are prepared to provide the



expertise to perform such services. Additionally, the FCA is leading efforts to have certified applicator status become a mandatory fixture for contractors that bid on national, state and local infrastructure projects. The current congressional approach has been to fund

short term funding extensions that result in project delays and often times cancellations. The FCA and other concerned associations are advocating a long term (five or six year) funding bill to insure timely delivery of needed repairs and maintenance. As it stands now,

Continued on Page 6

Don't Miss Our Next LAP&FCA Meeting!

November Date TBA • 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

Has it been hot enough for you this summer? It sure seemed excessively hot during the middle of August! I hope those of you with exterior crews working are aware of the specifics to the recently amended heat-related safety regulations that became effective on July 1st. The new standards were reviewed in our March-April newsletter to provide you with advance notice of those changes, or you can become more informed by reviewing the revised regulations at the Cal-OSHA website.

It also seems that more than the weather is heating up as the economy slowly improves, and locally we expect construction activity to increase

Yes, You Can Win an iPad

Attend membership meetings and earn tickets to a year end drawing to win an APPLE I-PAD!!! Starting on January 13th, each time a contrac-



tor 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 2015 Holiday party one lucky contractor will win the iPad.

during the last part of 2015 and into next year. We all hope those projections prove true, and I encourage you to do everything you can to be prepared for the expected increase in volume. That being said, I'd like you to know that the LAP&FCA leadership is diligently working along with our labor partners to meet the challenges you face on a daily basis.

The apprenticeship program, while highly effective, is constantly looking at ways to improve the training of



our emerging workforce. We are well represented on both the Industrial and Commercial Apprenticeship Committees, and we continue to adjust the curriculum and seek motivated applicants that will provide an efficient workforce for our employers. In addition to apprentice training, we also are hoping to find ways to encourage journeyman's to upgrade their training and educational experience.

The recent recession depleted the existing local workforce, and as we move forward we need to stress to current journeymen and future employees that we offer much more than a job, we provide a career.

Considering the base wage, health insurance, pension and continuing education provided through our commitment to professionalism, we need a workforce that reflects that same dedication. As leaders in the painting industry, I and the board of directors would love to hear from you with suggestions and ideas to promote these efforts.

But the effort to raise the level of professionalism in our industry does not end with our employees in the

field. We also need to look to ourselves as contractors and employers. Do you know everything there is to know? Is there anything you can do to improve yourself or the office staff?

I'd sure like to

see more contractors attend our bi-monthly meetings and become more involved in the Los Angeles Painting and Finishing Contractors Association. It is our hope to provide a wide range of meeting topics to increase your awareness of safety protocols, business practices, legislative issues and labor law. Please take advantage of these opportunities by attending and participating. You and your company will benefit greatly, and you will become a partner in promoting a more professional painting industry.

LAP&FCA Chapter News

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

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

While this newsletter is designed to provide accurate information and authoritative information on the subject 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 would be sought.

Website: LAPFCA.org

LAPFCA is a proud member of:



Upper photos, l to r: Guest speaker Mike Oscar-Legislative Director-FCA; (at table) Mike Oscar, Tom Unsell-Chapter President, John Tenorio-J. Arthur & Associates, J.R. Grzeskowiak-Blakley Co, and Dave Kappos.

<h1 style="color: #c00000;">Calendar</h1>		
<h2 style="color: #c00000;">2015</h2>		
September 10-11	FCA Affiliate Executives Mtg.	Charleston, SC
November	Associates Committee Meeting	TBD
November	General Membership Meeting	TBD
November	Board of Directors Meeting	TBD
December 5	Annual Holiday Event	Embassy Suites Glendale, CA



Tony Hobbs, Chuck Price, Wiley Zagajewski-LMCC and Emad Aziz.



Jono Choi and James Moody.



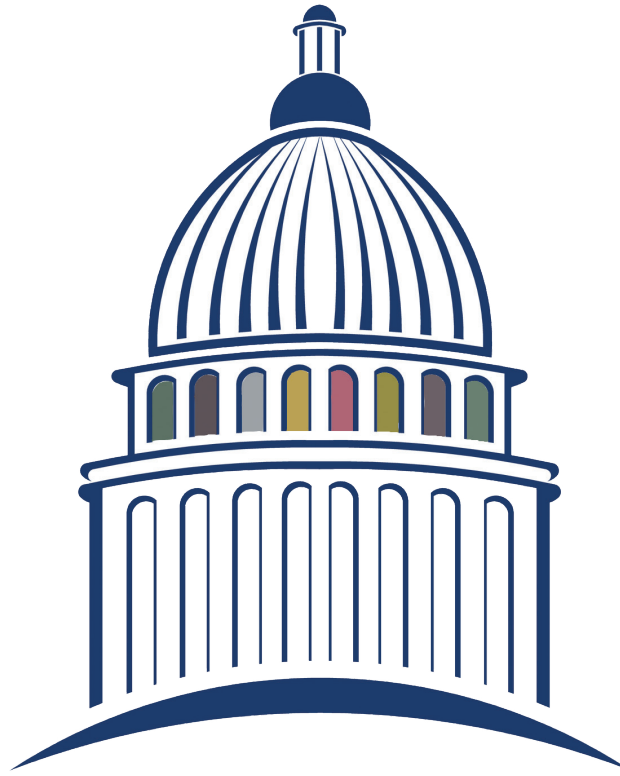
David McLean-Summit Painting, Nick Carrillo-FCA, and Austin Vulich-Endurance Painting.



STATE NEWS

What seemed to be a simple and fair proposal to expedite change order requests into actual billable change orders has been derailed by legislative maneuvering. Agents of awarding agencies and lobbyists have done their best to soften down, and even undermine the legislation's intent, and now it is placed on a two year path. This has also resulted in the loss of support from many sub-contractor associations and other allied groups. All we ever wanted was a commitment to prompt billing and payment for goods and services delivered, and we found ourselves in a fight for our lives.

Signatory coatings unions and management associations have joined together in pressing the issue of mandatory certified application specialists being utilized on all public projects. The intent is to provide and maintain the highest level of workmanship when tax dollars are funding projects within the state. LAP&FCA has been active in letter writing campaigns, and speaking out with State Senators and Assemblypersons, to better educate them on the virtues of qualified contractors and their trained workforce providing true value in the performance of the public's



trust. It is our belief that trained, skilled and competent journey-person's and apprentice's, readily provided through our jointly administered Finishing Trades Institute, will provide longer lasting projects that have been completed on time and with a minimum of cost overruns. We have a sympathetic ear in the governor's office and hope that this issue will continue to move in a positive direction. The initial effort concerns work in the industrial and highway infrastructure realm of coatings application, but that would be only the first step. Commercial certification on public works projects is also a major component of the discussion.

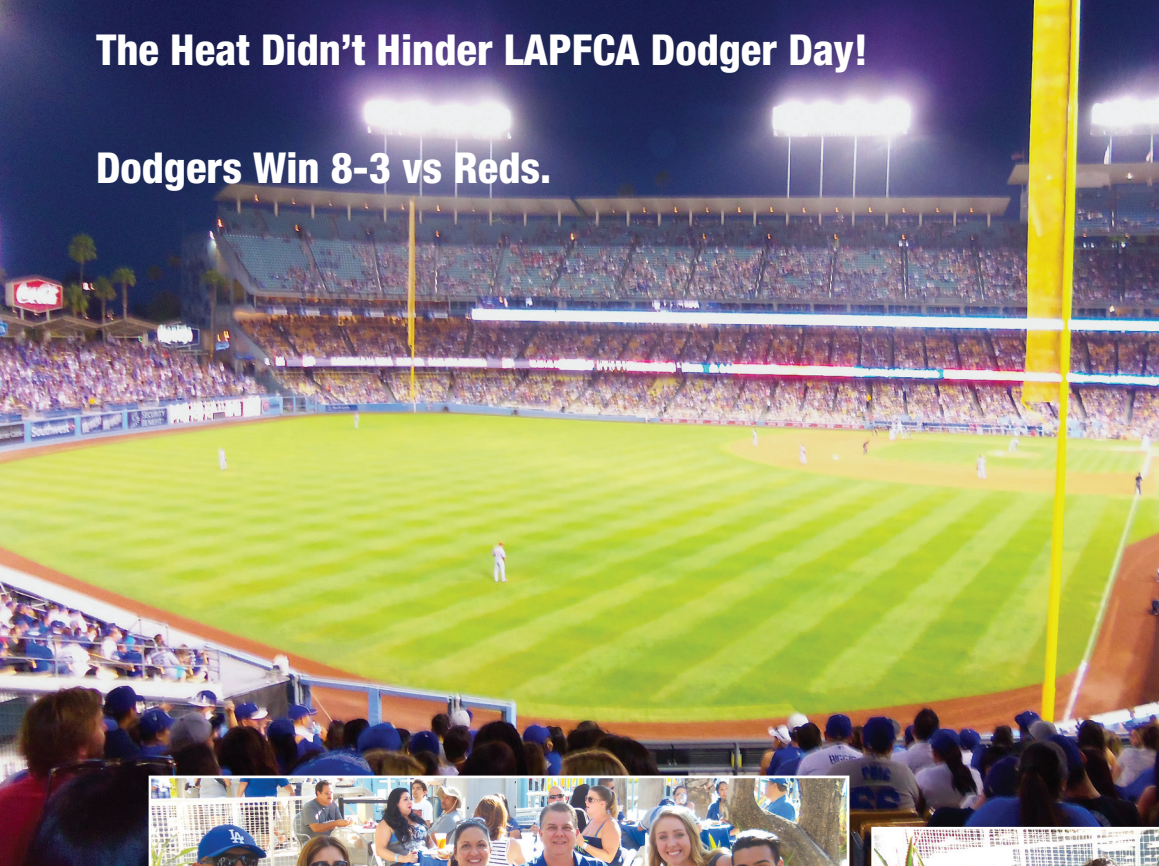
FEDERAL NEWS

The front burner issues that finishing contractors are advocating have been covered in other articles of this newsletter, however I cannot stress just how important pension reform and misclassification of workers are to the construction industry. One has a great financial impact on the future of our workers, and the other undermines all that we stand for as responsible and conscientious employers. Yet we continue to seek additional funding for apprentice programs and support for journey person certifications and upgrades. The need for trained workers is a continuing concern, and we must be prepared to face that challenge. We continue to press the need for a long term highway funding bill to ensure the steady progress of ongoing and future projects. Finally, we are preparing to face the yearly onslaught against Davis-Bacon and prevailing wage requirements. Even though we don't have specific legislation to currently track, there is still much work to be done on Capitol Hill.



The Heat Didn't Hinder LAPFCA Dodger Day!

Dodgers Win 8-3 vs Reds.



Congressional Advocacy Continued

Congress has agreed on a short term funding measure through the end of 2015, and we hope they will address a long-term solution in 2016.

A majority of Mike's comments were regarding ongoing efforts at multi-employer pension reform. Many of you are aware of recent successes gained in this as Congress approved the Multiemployer Pension Reform Act in late 2014. FCA, along with many other multi-employer associations, and with the backing of several labor unions (including the International Union of

it remains to be seen if congressional leaders are listening

Painters and Allied Trades) helped navigate this effort over the past several years. With Mike Oscar leading the way and our own executive director, Don Vulich, along with other industry leaders from across

the country, 11 senate offices were visited last November and we saw the 2014 approval of many needed pension reforms.

However, there remains much to be done, and foremost among those concerns is the issue of unfunded liability. A major obstacle in attracting contractors to unionize is the long-term liability of unfunded pension reserves that accompany defined benefit plans. With a defined benefit plan, participants are promised a "defined" monthly retirement payment as opposed to a defined contribution plan that provides market driven benefits. Both plans have positive and negative aspects and current economic conditions along with investment limitations dictate a fresh approach to employee retirement plans. Thus has evolved what is known as Composite Plan Design that combines features of both traditional pensions.



Mike Oscar, Legislative Director of the Finishing Contractors Association.

It is important to note that this reform movement is co-sponsored by both labor and management

to satisfy the need for stability in benefit payouts, and at the same time maintain current, as well as, encourage new employer participation. The hope is to produce a win-win scenario for all the involved parties, and it remains to be seen if congressional leaders are listening. As for LAP&FCA members, you can discern the unfunded liability of

your own company by contacting the International Painters and Allied Trades Industry Pension Fund in Hanover, Maryland with a written request. Some accounting firms feel this information should be included on a company's financial statement. Please feel free to contact the chapter office for assistance with this or any other issues of concern.



Regulation Updates

In recent weeks there have been some changes in regulations that LAP&FCA members need to be aware of. Of major importance to contractors is the recent announcement from the National Labor Relations Board regarding liability of non-direct employees.

The ruling toughened standards of liability of employers that hire from employment agencies and contractors hiring sub-contractors. The NLRB has ruled that the end user employer is equally responsible for all employees under their direct or sub-tier supervision. This can have a direct impact on how our members use or

become sub-contractors. The first level of protection an employer should develop is proof of insurance, both general liability and workers compensation, from any sub-contractor that you employ. Secondly, wage and fringe requirements, or any federal, state and local taxes or fees, if not paid by an employment agency or sub-contractors, could become the responsibility of you as the contract originator.

This tightened level of responsibility will be of little concern to legitimate employers that already exercise the proper amount of oversight with their employees and sub-contractors. However,

too many in the construction industry hire worker's and classify them as "sub-contractors" with the intent of reducing actual costs by unlawful means. The new NLRB regulations are designed to prevent, or at least reduce this practice. The Finishing Contractors Association, along with many other construction related trade associations applaud the more stringent rule and hope this leads to a greater reform in the arena of worker misclassification. Our national legislative director, Mike Oscar, will be following this issue closely and has already informed affiliates on the recently intro-

Continued on next page

Giving Paint a Second Chance.

By Yolanda Jones



What are the Environmental Benefits to using recycled paint? By using recycled content paint, you are helping to protect the environment. By replacing new paint with recycled paint you are saving all of the resources that would have been used in making the new paint. The energy used to make and transport the paint, as well as all the minerals, chemicals and pigments that are needed to make new paint are saved when recycled paint replaces virgin paint. In addition, wastes associated with the manufacture of new paint are avoided. Finally, by us-

ing recycled content paint, you are preventing that paint material from ending up in a landfill or, worse, down a drain. So using recycled content paint saves resources, saves energy, reduces pollution, and reduces landfill waste.

Did you know Recycled Paint qualifies for LEED points?

Recycled paints are engineered to meet the Leadership in Energy Environmental Design (LEED) requirements for advanced sustainable building practices for high – performance green homes and commercial structures both interior and exterior.

Did you know Re-blended paint is considered a “good grade” to “high grade” paint. Color, hide, viscosity and quality vary by batch. Check with the vendor for information on custom tinting and type of tests performed on recycled paint.

Did you know Recycled content paint can be used in any application

where virgin paint is used. Recycled paint has been used in both exterior and interior applications, as well as on wood, drywall, concrete and metal surfaces. The quality of recycled content paint is comparable to virgin paint. Some applications require only a cheap, low-grade paint, others require a medium grade, and still others a higher grade. Whatever the grade, recycled content paints can compete with virgin paints in quality and price.

Did you know . . . the dried and hardened material found at the bottom of paint cans can be turned into decorative ground landscape cover, thus giving it new life and keeping it out of our landfills? Besides being good to the environment, the decorative ground landscape rock cover simulates the texture of pea gravel, but is much lighter and is more colorful than natural rock. Solid latex paint is fairly inert and therefore the product will not breakdown or disintegrate under normal use.

Choosing quality recycled paint is an excellent environmental choice.

Now, go do the right thing!

Updates continued

duced Payroll Fraud Prevention Act (Congressperson Wilson, D-FL) that will hopefully address this issue.

A second area of proposed regulatory changes is closer to home. The South Coast Air Quality Management District is in the process of amending rule 1113 (last amended in July of 2007), that regulates air pollution from architectural coatings. Most of the proposed amendments are of greater concern to product manufacturers; however two items will have an effect on contractors. Currently, manufacturers can provide some non-compliant paint products in small containers. This small container exception (SCE) has proven to contribute a great amount of air borne

contaminants and the District is proposing to phase out the SCE. This would result in many useful products, such as some primers, undercoaters and rust preventive paints, becoming unavailable. Paint manufacturers claim, and contractors agree, that these products are the best and most effective for their defined application and should be retained. It was suggested during the recent comment period that SCE be continued with some added purchasing restrictions to reduce their overall use.

Additionally, the SCAQMD is hoping to gain pollution reduction through spray paint application efficiency. By stressing spray transfer efficiency, more product will actually reach the intended

substrate, thus reducing the harmful effects of air borne overspray and also lowering the actual amount of paint used on any given project. At this point, the District will try to achieve their desired results through an awareness and information campaign to contractors and non-professional users of spray equipment. We hope this approach will produce the desired results and no additional regulations or certifications will become necessary. LAP&FCA has been an active participant in the comment phase of these amendments and supports the SCAQMD in the effort to reduce air pollution, yet limit the burden of over-regulation.

Visit: LAPFCA.org





FROM OUR EXECUTIVE DIRECTOR

Recently, one of our contractor members mentioned to me that the out of work list of available journeypersons is almost down to zero. I've heard from labor representatives that there is a tremendous amount of work in Los Angeles and the future looks bright. However, one challenge is this: Is our industry, from both a management and labor perspective, ready to meet the demand of skilled and qualified workers?

David McLean, Tom Unsell and I represent the LAP&FCA on our apprenticeship training committee, and we will be actively involved in the overall process. It is our hope that the jointly administered apprentice and journeyman training program is at the forefront of this effort. It has been my experience that the director of the Finishing Trades Institute, Jesus Fernandez, is highly prepared to provide the training needed for the 21st century painting industry. He is a good listener and will do his best to incorporate the best practices and programs, but we all need to hear from our members with their ideas and thoughts. We also need to think outside the box in methods of attracting the most qualified applicants to our profession. The word profession is used with a purpose because we need to stress that we offer a profession and a career, so much more than just a job. Our industry provides a valuable service to end urban blight, extend building life spans and install protective

coatings, so do we really want to hire and train a bottom of the barrel workforce? As a group, labor and management are working together to meet this vital need.

With that in mind, I will be attending two industry events in the next few months. The Finishing Contractors Association Affiliates Executive meeting, and the International Federation Employee Benefits Conference. The FCA event will bring together executive directors, association representatives and industry leaders from across the country to discuss this and other important issues. At the Employee

Think outside the box in methods of attracting the most qualified applicants

Benefits Conference I plan to concentrate on apprenticeship training trends, and also stay abreast of the impact of the

Affordable Care Act on our health insurance.

The Employee Benefit Conference will also provide some seminars on pension reform and management, and I will be seeking to become more informed on the issue of "composite benefit" plans, withdrawal liability, and best practices to increase future participation of employers. As always, I would love to hear from you. I have many of my own ideas, resulting from 35 years as a contractor, and attending such conferences and industry events during that time. But I also need to hear your concerns, your needs and your ideas, so the LAP&FCA can remain a true leader in our industry.



CUTTING TO THE QUICK SAVE THESE DATES

Nov, 2015 - General Meeting Date & location to be announced
Associates Meeting 10:50am, General Meeting 11:30am

December 5, 2015 - Annual Holiday Event
Embassy Suites, Glendale, CA

