

JULY/AUG 2023

# SMAC NEWS

## 'Now Is Our Time'

An Interview With SMART's  
New General President

PLUS: Inside J.C. Cannistraro's shop



# CONTENTS

Vol. 57 No. 4

## Features

10

### 'Now Is Our Time'

14

### Home Port for J.C. Cannistraro

## Sectors

02 **Architectural**

Rebuilding a Historic Dome and Cupola

04 **HVAC**

Diving In

06 **Industrial**

Meeting the Needs of Many

08 **Residential**

The Top 5 Benefits of Investing in Social Media Marketing

## Columns

20 **Capitol Hill Update**

An Economic Overview & SMACNA Issues Update

22 **Belonging**

The Five Skills of an Effective Leader

23 **Financial Stewardship**

Clean Vehicle Credit Drives New Tax Savings For Contractors

24 **Legal**

Best Practices for Using "Apprentices" on Davis-Bacon Projects

Cover image: Mike Coleman; Cover photo background: J.C. Cannistraro

## CEO UPDATE Aaron Hilger



## Building a Strong Labor Relationship

Summers are always busy for SMACNA members and national staff. We visit multiple chapters to conduct education programs, attend board meetings and participate in great local functions. We are also winding down the collective bargaining season with our labor partners. Most areas have reached settlements and work continues as it should — productively, on time and within budget. This contrasts dramatically with the airline sector, domestic shipping providers and the film industry. These spaces have been hurt by the

inability to reach agreements and create a mutually beneficial relationship with labor.

When I started at SMACNA, one of the things that I was happy about was our strong relationship with SMART. General President Joe Sellers and SMACNA staff created an effective working relationship to solve problems productively and address future needs. I wish Joe all the best in retirement. He was an excellent partner, and I am thankful I can call him a friend.

At the same time, I could not be more excited to contin-

ue to work with General President Mike Coleman and his team. SMACNA and SMART have become even closer in the last year and a half. During my time as a chapter executive and now SMACNA's CEO, the national labor/management relationship has been one of mutual respect and trust guided by a single goal: to ensure the general welfare of our industry. General President Coleman and





**FROM THE PRESIDENT**

Tony Kocurek

I don't agree on everything. That is not a problem and should be expected, as some issues are fundamental to the labor-management relationship. We could waste all of our time on that 5 percent. Instead, we choose to focus

shared goals. As I write this, SMACNA and SMART leadership are traveling to Memphis to visit the Blue Oval project, in which several SMACNA members are involved. We intend to use this visit to learn about megaprojects and



**I COULD NOT BE MORE EXCITED TO CONTINUE TO WORK WITH GENERAL PRESIDENT MIKE COLEMAN AND HIS TEAM. SMACNA AND SMART HAVE BECOME EVEN CLOSER IN THE LAST YEAR AND A HALF. DURING MY TIME AS A CHAPTER EXECUTIVE AND NOW SMACNA'S CEO, THE NATIONAL LABOR/MANAGEMENT RELATIONSHIP HAS BEEN ONE OF MUTUAL RESPECT AND TRUST GUIDED BY A SINGLE GOAL: TO ENSURE THE GENERAL WELFARE OF OUR INDUSTRY."**

on the 95 percent of things that we do agree on. We are focused on building new markets, staffing megaprojects, maintaining market share in areas with megaprojects, and helping locals and chapters who are experiencing challenges.

As our industry evolves, flexibility and resourcefulness are more crucial than ever. Communication and collaboration — not conflict — represent the most direct path toward our

their associated staffing and training needs. We will meet these challenges together, and I look forward to seeing what we develop to move the HVAC industry forward. ▼

*Aaron Hilger is CEO of SMACNA, bringing more than two decades of executive association leadership to this role. Hilger is focused on building a stronger, more competitive environment for all SMACNA contractors.*

## Grow Client Loyalty With Education Amid Record Heat

Excessive heat and higher-than-normal temperatures have been intensifying for much of the United States.

In fact, June 2023 and July 2023 broke global temperature records, increasing worries that these warming patterns could continue. Currently, climate scientists say 2023 will likely be the warmest year on record. July alone is the world's hottest month on record.

You can blame a combination of summer weather, a warmer atmosphere and seasonal weather patterns like El Nino for the heat.

When heat rises, so do the use of air conditioning systems. As such, educating your customers during these extremes can help them more efficiently use these units to keep cool and stave off the heat.

These machines are designed by engineers and installers to keep temperatures approximately 20 degrees cooler than the outdoor temperatures. Newer systems are designed for 95-degree days, depending on location. But with 100-degree-plus temperatures becoming the norm for summers in some regions, that can be taxing on air conditioning systems when they run non-stop to keep up with the heat.

An air conditioning system uses a cold, low-pressure refrigerant to evaporate and absorb heat from a room, and then compress it before condensing and releasing the heat through an outdoor heat exchanger. Finally, the refrigerant is recycled in a closed loop. The higher the outdoor temperature, the more the compressor works and the more electricity you use.

To be more efficient and save energy, customers might think they should turn off cooling at night and turn it back on in the morning.

This strategy is not more effective. By turning off a unit at night, a customer forces it to work harder and longer to cool a space the next day.

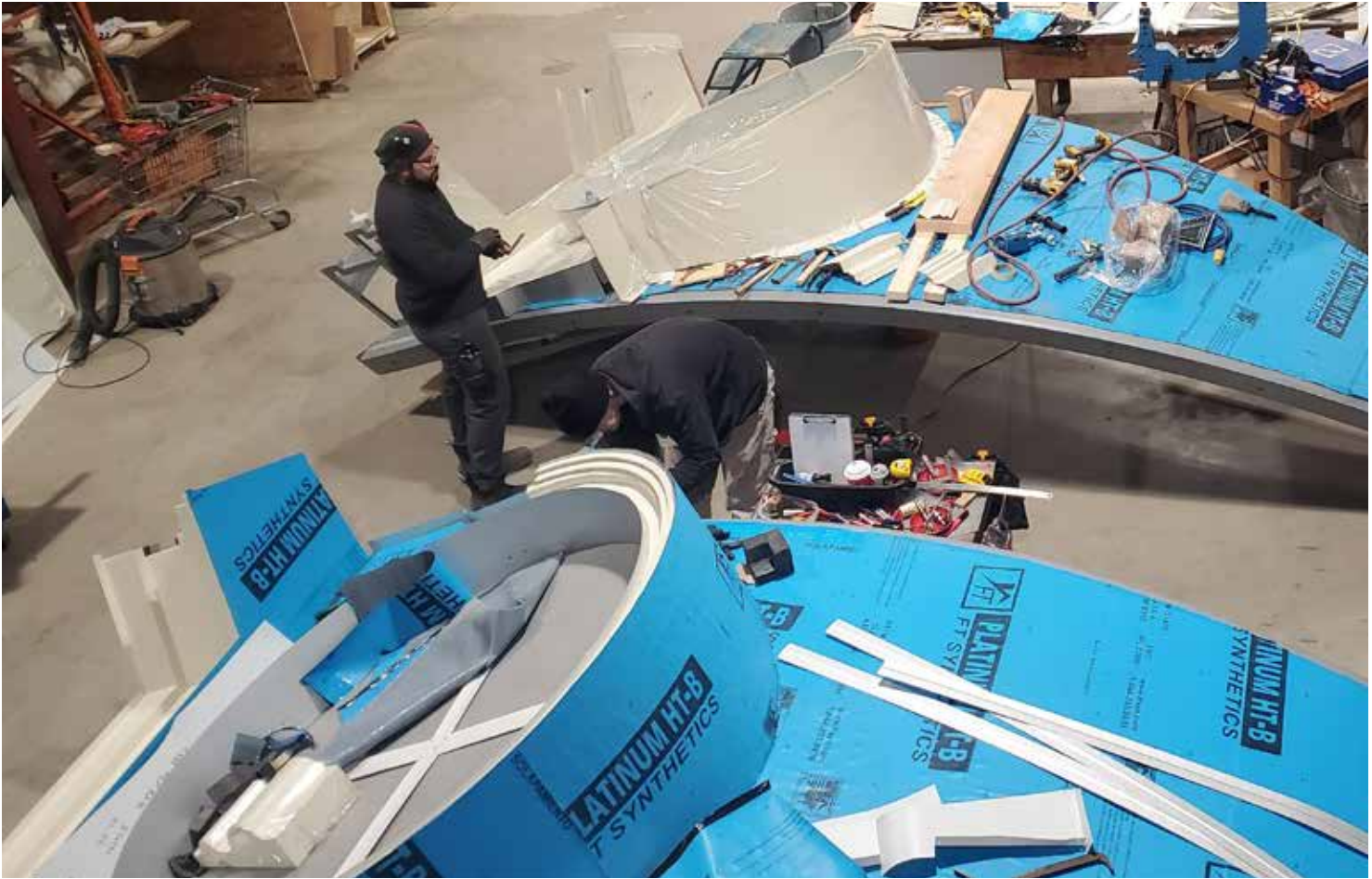
Your goal is to encourage customers to set thermostats to desired, comfortable temperatures and leave them alone. Starting the day with an already cool space helps the cooling unit work better.

Also, encourage regular maintenance, such as replacing air conditioning system filters and cleaning filters and coils on outdoor heat exchangers to encourage good air flow. Customers can also run ceiling fans and shade the interior of their homes from direct sun with shades to promote coolness.

For those customers with older units, upgrading to high-efficiency models may help reduce energy use.

Being helpful to customers by providing full descriptions of services and options, as well as these additional tips during extremes, can also help you retain clients and build loyalty. ▼

Tony Kocurek, SMACNA President



## Rebuilding a Historic Dome and Cupola

A custom sheet metal company played a vital role in a courthouse's restoration after it was devastated by a fire.

**W**hen the historic 111-year-old Mason County Courthouse was destroyed by an arson fire in February 2021, it devastated the local Mason, Texas community. The courthouse had been a focal point in the town's central square since 1909. It's why the rebuild has been so meaningful — and something that Heather + Little, custom sheet metal and roofing contractors based in Markham, Ontario, have been so proud to be involved.

While the walls of the main building and its 16 surrounding columns survived the fire, the courthouse's center dome and clock tower required replication. This is where Heather + Little stepped in. The company fab-

ricated the courthouse's new turnkey dome and cupola out of 0.032" pre-painted Aluminum Kynar Finish. It required approximately 110 sheets, says Mike Papania, CAHP, Executive Vice President, Operations for Heather + Little. All-in-all, the project took 3,500 man-hours for the cladding and 1,000 hours for the structural steel.

Of course, a project of this size was not without challenges. Papania says that though the company received the contract in February 2022, the ongoing ripple effects of the pandemic caused delays in the procurement of materials as well as lost manpower due to illness.

"Another challenge was the logistics of fabricating 17 pieces of structural steel and cladding each piece with aluminum," he continues. "With a plan to bolt



After Mason County Courthouse was destroyed by an arson fire in 2021, Heather + Little came in to help rebuild this key feature of the Mason, Texas town square.



everything together once on site, we had to deal with transportation and highway restrictions.”

Papania says that the team, led by Rita Kouzak and Priscilla Lo, spent what felt like countless hours in the boardroom drawing and erasing on the whiteboard until they finally agreed on a plan to meet all of the requirements. The scope of the work included load calculations, structural and architectural design, fabrication of structural steel and sheet metal cladding, and installation of all the cladding pieces. The dome also contains four working clocks and electric chimes to simulate bells. And Heather + Little was also involved in fabricating and installing a ladder and checker plate aluminum platform inside the cupola.

Everything had to be craned into place, and then the crew installed sheet metal flashing and trim to finish the roof, says Papania.

Design work for the project spanned February to July 2022, while the fabrication of the structural steel and cladding took place from August 2022 to January 2023. Finally, the pieces were assembled and craned into place between January and April of 2023.

According to Papania, one of the most unique aspects of the project was the collaboration of all parties involved. While Heather + Little handled the load calculations, structural and architectural design, fabrication of the structural steel and sheet metal cladding, and installation of the cladding pieces, other companies were also involved. Premier MetalWerks, LLC (Alan Odem) handled assembly of the pre-clad sections, craning the unit into place, as well as the sheet metal flashing and trim. Stoddard General Contractors oversaw everything as the general contractor.

“Everyone collaborated to make this come together,” Papania says.

Founded in 1925, Heather + Little has extensive experience with projects like this one, and Papania says they have had the honor of working on many vital historical landmarks and heritage buildings.

“We have built a reputation over the years for exceeding our client’s needs with the quality of our work,

**“WE HAVE BUILT A REPUTATION OVER THE YEARS FOR EXCEEDING OUR CLIENT’S NEEDS WITH THE QUALITY OF OUR WORK, INCLUDING STEP-BY-STEP ASSESSMENT AND REVIEW ACROSS ALL FACETS OF A PROJECT.” — MIKE PAPANIA**

including step-by-step assessment and review across all facets of a project,” he says. “With over a century of hands-on experience, you can expect us to consider all angles and be ready with the expertise and solutions — even if a build throws us a curveball.”

The company offers custom sheet metal fabrication and preservation services for commercial, residential and industrial properties.

Projects such as this one, says Papania, are especially meaningful.

“We were able to witness what this courthouse means to the community,” he says. “When we lifted the cupola into place, there were hundreds of people on hand, cheering.” ▼



## Diving In

The Hermanson Co. works on the HVAC for one of the most distinctive buildings on Seattle's waterfront.

**T**he Seattle Aquarium is undergoing its most ambitious expansion since its founding in 1962. The original aquarium highlights the Puget Sound ecosystem, and their new three-story Ocean Pavilion will be dedicated to warm water marine life.

Seattle rerouted a major highway to accommodate the \$756 million project. The main 325,000-gallon tank will include a viewing window that visitors can see from the walkway outside without buying a ticket.

"This is going to be one of the most distinctive buildings on the waterfront in Seattle," points out Jonathan Manfredonia, communications manager for The Hermanson Co., based in Kent, Washington. "Our waterfront is what we're

known for, so this is a very proud project to be part of."

SMACNA member The Hermanson Co. is key to the project's success. Hermanson worked with the general contractor on a previous project for the Tacoma Zoo and Aquarium, so they are familiar with the unique challenges of large aquariums. Precise temperature control is essential for keeping marine animals healthy. "We're providing the water temperatures and support that the life safety system needs for the actual tanks themselves," says Chris Howard, Hermanson's sheet metal general superintendent.

The general contractor brought Hermanson into the planning process early on. "We had honest conversations about why and how we price, the square foot pricing



The Hermanson Co. leads the Seattle Aquarium expansion project.



**SEATTLE REROUTED A MAJOR HIGHWAY TO ACCOMMODATE THE \$756 MILLION PROJECT. THE MAIN 325,000-GALLON TANK WILL INCLUDE A VIEWING WINDOW THAT VISITORS CAN SEE FROM THE WALKWAY OUTSIDE WITHOUT BUYING A TICKET.**

ing and cooling spaces with significant glass exposure.

Hermanson will install about 45,000 pounds of galvanized and stainless-steel duct for the aquarium. They considered using aluminum until they consulted the SMACNA Duct Construction Standards manual. "Aluminum is less expensive,

and the challenges of making deliveries to the site," Howard says. "Aquariums have a small footprint, but an immense amount of mechanical, electrical and plumbing work goes above the ceilings. It's loaded per square foot." To fit into the tight spaces, each trade can only bring in what they need for a day or two. "If we brought in a load of duct and we didn't hang it quickly, then we would have loaded a floor that nobody could work on afterward." All trades meet for weekly sessions to coordinate the work. Even a small delivery on the back of a pickup truck must be scheduled ahead of time.

The Seattle aquarium requires three main air handlers: the 28000 CFM primary supply air, the 3800 CFM DOAS supply and the exhaust/energy recovery AHU. Two rooftop heat pumps provide heating and cooling water for the entire building, with a capacity of 400 tons of cooling and 4000 MBH of heating. Thirty fan coil units provide adjustable heating and cooling to different zones throughout the aquarium. "A couple of areas in the building are multi-story," says Project Manager Dane Brooks. "A space might be 30 feet tall with layers and layers of mechanical, electrical and plumbing

but when you look at the stiffening requirements, especially in the negative pressures, it was more cost-effective to go stainless," Howard says. They are fabricating everything in-house for about 2,200 shop hours. Installation will bring about 5,300 field hours, and the detailing process required another 1,800 hours.

The project is on schedule to be handed to the owner in January 2024, but don't plan a visit to see the fish right away. After Hermanson is done, specialists will adjust the tanks and acclimate 3,500 coral reef plants and animals. The acclimation process will take about six months before the exhibits are ready for the public.

"We do a lot of offices and hospitals," Howard says. "But every so often, we get a project like this. When it's done, people will see the tanks and beautiful architecture and not have a clue what it took above the ceilings. I heard long ago that if they don't see it, hear it or feel it, you've done a good job. There's a lot of work, a lot of coordination and a lot of headaches to get one of these things through." The results are worth the painstaking care. "It will be a jewel-type building in the Seattle, Washington area." ▼



## Meeting the Needs of Many

Apollo Mechanical has the skills to tackle the North Valley Complex's multiple needs.

**T**he Oregon State Police. An OSHA lab. Storage facilities. Research labs to study invasive plants and invertebrates. Government offices. The new North Valley Complex in Wilsonville, Oregon, will improve interagency cooperation by moving these state organizations into a single shared building. Apollo Mechanical Contractors is bringing the vision to life by renovating and updating an existing facility into a modern campus that accommodates very different agencies' needs.

Each section has distinct requirements. "There's a large Phoenix valve controls and system for the OSHA testing and compressed air to serve all the labs," says Anthony Harnish, project manager for Apollo. The invasive plant labs need humidity control, "so some of our air handlers include humidification."

When researchers study an invasive species, it's not enough to keep the species alive for study. Lab security is crucial to prevent accidentally spreading the problem species back into the environment. Apollo is implementing the highest safety standards in the NVC labs to keep unwanted plants, insects and invertebrates where they belong. "The whole entomology lab section is negative pressure and very tight," Harnish says. "All penetrations are double sealed. Even the control panels in there have extra sealant."

The team saved 3,500 feet of duct from the original HVAC system as part of the renovation. "There were good portions on this job where we had to remove the existing large duct, clean it and then reinstall it," Harnish says. They could also modify existing AHU-1 and 2 by removing the Dx compressors and coils and replacing





*Apollo Mechanical installs 190,000 pounds of new galvanized and stainless steel at the North Valley Complex in Wilsonville Oregon, in addition to updating the HVAC.*



them with heating and chilled water coils. They removed the exterior panels of the AHUs to slide the new coils in place. “Our guys took out the old coils, put in new coils, redid the exterior of the unit to patch it back up and then reinstalled the ductwork in the old tenant areas.”

Apollo is also installing 190,000 pounds of new galvanized and stainless steel for this project. “We fabricate all our duct at our Kennewick, Washington, and Tigard, Oregon shops, depending on what we’re doing,” Harnish says. Kennewick is about an hour away from the project site in the Portland metro area, but the distance doesn’t slow the work down. “Our process is pretty seamless. I wouldn’t be surprised if we had at least three trucks coming into Portland a week.” Other applications require fiberglass, which Apollo purchased from a vendor.

This was a plan-spec job, but Apollo was on the pre-construction team. “The general contractor worked with us to get the bid before final design,” Harnish says. “We worked with the design team and engineers after we were awarded the project on the pre-construction side. Apollo likes to get involved early, to be a partner for the general contractor. We are someone they can rely on to aid in the design-assist and to be an asset for all parties, the design team, the general contractor and the owner, too.”

The project was awarded in February 2022, and the substantial completion date is August 16, 2023. “Some units were supposed to be here in January but were

pushed out until July,” Harnish says. Rather than delay the project, the general contractor proposed they proceed without the missing units, then install them through the roof when they arrive. “This job has liquidated damages, so not being done on time has a potential cost for

## **WHEN RESEARCHERS STUDY AN INVASIVE SPECIES, IT'S NOT ENOUGH TO KEEP THE SPECIES ALIVE FOR STUDY. LAB SECURITY IS CRUCIAL TO PREVENT ACCIDENTALLY SPREADING THE PROBLEM SPECIES BACK INTO THE ENVIRONMENT.**

everyone involved,” says Harnish. “We looked at the best way to limit the impact. Next week we’re opening up the roof, dropping the late units in and then rolling them on the mezzanine to the final location.”

Space on the mezzanine is tight. “We’ve had very complicated installs for some of our units, especially with our air handlers being delayed,” says Harnish. “We have five indoor units, four of which sit on the mezzanine, that we’re bringing in with a rigging crew and very large forklifts. We have about 3 inches of clearance between the structure and the final resting space. We’re bringing in a scaffold and then sliding them over into place.”

The project will bring Apollo about 7,600 shop hours and about 20,000 field hours. ▼



# The Top 5 Benefits of Investing in Social Media Marketing

Thinking about using social media more strategically for your SMACNA business? Here is the latest research on who uses those channels, what they are seeking and the reasons you can benefit from these trends.

**A**s a sheet metal or HVAC business owner serving residential customers, you might not have time to spend on social media. But your target customers are already there, and they use these avenues to connect with people, find businesses to hire and read business reviews — all tasks relevant to your business. You certainly don't want to miss this opportunity to discover new customers looking for a company like yours.

In this three-part series, we'll talk about the benefits of using social media marketing and share steps you can take to maximize these efforts. In this first part, we'll focus on the reasons investing in social media might be worthwhile and the questions to ask yourself to help decide where to target your efforts, according to Lauren Wattie, vice president, Vault Communications, who spoke on this topic at SMACNA's 2022 annual convention.

## TODAY'S SOCIAL MEDIA USERS

First, let's look at the use of social media to help gauge the audience types that are present in these avenues.

According to Wattie's research, there are 4.7 billion active social media users — 59 percent of a total population of 7.98 billion — a 5 percent increase from the previous year.

And social media use keeps growing each year.

On average, people spend six hours and 49 minutes on the internet daily, with two hours and 30 minutes on social media channels — a 3.5 percent increase from the previous year.

What are people doing on social media platforms? Forty-seven percent are on social channels to keep in touch with family and friends, while 36.3 percent are just filling their spare time. Reading news stories comes in at 34.8 percent, while 30.9 percent of people search for content that interests them. Next, 29.1 percent are

## Where You Can Find SMACNA on Social Media

**Facebook:** facebook.com/SMACNA/  
**Instagram:** instagram.com/SMACNA/  
**LinkedIn:** linkedin.com/company/smacna/  
**Threads:** threads.net/@smacna  
**X (formerly Twitter):** twitter.com/smacna

seeing what people are talking about, 27.9 percent are seeking inspiration for things to do and buy, and 26.5 percent are finding products they want to purchase. Twenty-four percent of people are sharing their opinions with others, while 23.7 percent are watching live streams and 23.3 percent are making new contacts.

An important data point for businesses is that 23 percent of social media people seek content from their favorite brands. Then, 22.5 percent are doing work-related research or networking. Twenty-one percent are finding like-minded communities and interest groups or talking about their life events.

A whopping 75 percent of people aged 16 to 64 who are using social media (including networks, message boards and vlogs) are doing so to seek out information about brands, products and services, Wattie says.

What's grown a lot over recent years is video content, Wattie shares. Approximately 92.4 percent of internet users aged 16 to 64 watch multiple types of videos daily, including music, tutorial, comedy, livestreams, gaming, influencer, sports, product reviews or educational videos.

### WHY SHOULD SMACNA BUSINESSES INVEST TIME & RESOURCES IN SOCIAL MEDIA?

Wattie says the reasons SMACNA businesses should spend some of their marketing budgets on social media are increasing. She highlights the top five reasons:

- 1. Increase brand awareness.** Research proves you can boost a positive brand reputation through social media. For instance, 83 percent of Instagram users say they discover new products on that platform. By posting online, a SMACNA business has a cost-effective way to increase its company's digital visibility.
- 2. Humanize your company and improve customer service.** Since social media users log in to social media platforms at least once a day, businesses can connect with them daily. Also, a positive customer service experience can encourage current and prospective buyers to return. It can also help you improve brand trust and loyalty.
- 3. Stay top of mind and uncover industry trends.** Social media encourages transparency. There, consumers and brands exchange conversations in real time, which can create human connections and build trust within

their communities. These conversations can include complaints as well as your customers' latest interests.

- 4. Increase website traffic.** Social media marketing can also help you attract website traffic. When businesses include their website addresses in all their profiles and the content they promote and source themselves, they can continue driving traffic to their websites. Using call-to-action language can encourage those website visitors to become leads.
- 5. Use social channels to get your content in front of new people.** You can use social media platforms to assess what types of content your potential and current customers want to see from you. For example, you can develop engaging, relevant blog posts that respond to customer questions. This shows them you care. You can even repost customer photos to improve engagement and conversation rates. Monitor your mentions and brand tags to keep track of positive customer interactions. Then, share those interactions with your followers.

### SMART QUESTIONS TO CONSIDER BEFORE INVESTING IN SOCIAL MEDIA MARKETING

Social media presents an additional opportunity for product manufacturers and service providers to build and enhance relationships. But for those new to social media, it can be confusing to know where to start.

Wattie suggests that when determining whether or not you want to invest marketing dollars in social media, a SMACNA business owner should ask themselves these important questions. The answers can help you determine how much to spend, which customers to target and where to direct your dollars.

- Who do you want to engage on social media?
- Why might they be using social media?
- Which platform(s) will be most relevant to their motivations?
- Are you looking to reach a specific gender?
- Which age groups are you most hoping to reach?
- Are you hoping to appeal to some generations more than others?
- What types of incomes do your typical customers have?
- What common values does your target audience share?
- What social platforms does your target audience use?
- What content do they like?
- Who else are they following?

In the next issue, we'll look at each social media platform to help you choose which ones to target your time and money. ▼



### Which channels do people invest the most time in? Here's the list, ranked in order from most to least used social platforms:

- Facebook
- YouTube
- Whatsapp
- Instagram
- WeChat
- TikTok
- Facebook Messenger
- Telegram
- Snapchat
- X (FormerlyTwitter)
- Pinterest
- Reddit
- Quora



*SMART General President Mike Coleman*



COVER STORY

# 'NOW IS OUR TIME'

**SMART General President Mike Coleman says the industry has given him everything, and he wants to give back to it in every way he can.**

From the seventeenth floor of the Federal Courthouse building in Cleveland, Mike Coleman stood at the window looking out over the cityscape, thoughtful and intensely focused — having a moment. About three dozen colleagues and fellow Local 33 members were under his direction.

“The steward from the job site came up to me and said, ‘Mike, what are you thinking about?’” relates Coleman. He was 34 years old at the time with 15 years of experience, having climbed the ranks from journeyman after completing his apprenticeship to supervisor.

Coleman told the union representative, “There is never going to be a more complicated project than this one. There’s never going to be one that’s tougher. I’m afraid the only thing that will change from job to job is the address.”



**IN JUNE, COLEMAN WAS NAMED SMART GENERAL PRESIDENT, FOLLOWING MORE THAN 20 YEARS OF DEDICATED INDUSTRY LEADERSHIP AT STATE AND NATIONAL LEVELS, AN OPPORTUNITY HE SAYS IS COMPLETELY HUMBLING.**



*Mike Coleman has spent more than 20 years of dedicated industry leadership at state and national levels.*



Coleman's problem-solving nature and grit — he loves a challenge — are reasons why he knew he chose the right career path from when he began his very first project in 1985 at Sherwin Williams headquarters.

But what next?

"Did you ever think about representing us?" the steward asked. "You have such a passion. You treat us so good."

Coleman broke his gaze and looked at the steward. It clicked. "From that moment on, I realized, that is what I wanted to do," Coleman says. "Shortly after that, I ran for the executive board of Local 33."

And this June, Coleman was named SMART General President, following more than 20 years of dedicated industry leadership at state and national levels, an opportunity he says is completely humbling.

#### **A COLLABORATOR AT THE CORE**

Coleman was 19 years old, working for a moving company, and admittedly "floundering" when a friend introduced him to the sheet metal industry. He didn't know a thing about it. But there was an apprenticeship test coming

up, and he decided to sign up.

"I scored high enough to get in, and, honestly, it was an uneventful entrance," says Coleman, whose career on the industrial and HVAC side of the business has been anything but uneventful. He calls it a continuous learning experience and more rewarding than he could have imagined at the time.

"This industry has given me everything I have," he says, reflecting on that time at the window and mentors over the years, particularly Richard Drinski at Coleman's first job, Franck & Fric in Cleveland. Once completing his apprenticeship and becoming a journeyman, he worked under Drinski.

"My father had passed away when I was young, so he almost became a second father to me," Coleman relates. "He was a tough Polish guy and we hit it off right away. He really helped me develop my skills as a sheet metal worker and was a great influence."

Coleman quickly evolved to serve in a similar helping-hand capacity to colleagues, earning a reputation as the guy you could count on for just about anything. "If someone was having an issue with family, I just wanted to be able to point them in the right direction to get the help they needed," he explains. "Some days, I felt like a counselor, and I enjoyed that. I enjoy helping people solve their issues, whether it's work-related or something else."

In fact, recently, a Local 33 member who attended apprenticeship school with Coleman called him and left a voicemail, congratulating him on his General President post. He ended the message by saying, "Thank you for always being there for me."

Coleman served his apprenticeship with Franck & Fric. Then, he took a position with T.H. Martin in Brooklyn, Ohio, where he spent the rest of his career until moving into a union role.

"I enjoyed all of the different challenges — there are so many aspects of the HVAC and

industrial space to learn," he says, pointing to what eventually led him to run for the Local 33 executive board representing members in Ohio and West Virginia. He wanted to expand his knowledge and work to continuously improve conditions for working families.

A couple of years after winning the Local 33 executive board seat, Coleman became the business representative. "We made sure employers had the workforce they needed and that members had representation in all facets," he says, pointing to contract negotiations and personal career development.

During this time, Local 33 created programs that were "win-wins" for employers and members, Coleman says. One was related to earmarking dollars for health insurance and contributions by members on the architectural sheet metal and HVAC sides of the industry.

"When it came time to disperse money for our [insurance] contract, architectural members wanted to add contributions to health and welfare because their workweek is impacted by weather," he explains. "Most of our local was on the HVAC side, and they are not subject to weather. They pretty much worked 40 hours a week, so they didn't need added contributions into the health insurance fund."

Coleman says, "I knew there was an answer to this problem."

He coordinated with the union's benefits administrator and attorneys and figured out a "redirect" solution that allowed members to choose whether to filter the funds into their health and welfare accounts for insurance or into an annuity.

This collaborative approach is how Coleman also brings together labor and management on a national scale at SMART. "We are interdependent," he says. "Neither side is nearly as good without the other. We need each other."

Coleman calls himself "a big partnership individual," and

that began early on at Local 33, where he was business manager from 2012 to 2019, before moving to Washington, D.C. to work as SMART's director of business and management relations.

"I have said for years that 95 percent of the issues we face, we are lockstep in how they should be handled. The other 5 percent are inherent differences in management-labor relationships, and we can work through those as long as we are partners."

At the end of the day, Coleman says, "We always shake hands and respect each other."

### NAVIGATING OPPORTUNITY

After he arrived in Washington, D.C., former General President Joe Sellers asked Coleman to become his assistant. "I learned a lot from General President Sellers: how to look at the industry as a whole, how to better coordinate work and to really take time to research," he relates.

In the three and a half years leading up to Coleman's move up to general president, he was on the front lines of challenges, victories and huge industry wins, including megaprojects funded by the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act.

Coleman adds, "One of the biggest pushes we had was seizing opportunities within the clean air ventilation verification and indoor air quality subject, a complicated initiative."

Because of the pandemic, the public and private sectors were more tuned into the importance of indoor air quality. "We are working on this every day with locals to get legislation and some of that funding that was set aside granted so we can upgrade the HVAC systems in buildings, schools, nursing homes and other facilities," Coleman says.

Coleman believes focusing on indoor air quality could potentially change the face of SMART and the industry for

generations to come. However, the limelight has shifted for the time because of enormous construction projects and these jobsites' workforce requirements.

"With the projects and legislation passed to date, there is roughly \$600 billion in construction planned for the next few years, and these are numbers we've never seen before — even if you adjust for inflation," Coleman says.

While assembling the workforce to complete major construction projects, Coleman says an equal challenge is protecting core projects that locals perform. "Those employers still need sheet metal workers for hospital projects, schools and other buildings," he says.

He adds, "It's a great problem to have, but it is a problem, make no mistake."

An immediate goal for Coleman: "To make sure we do not fail when it comes to the surge of work," he says. "We need a workforce that is ready, skilled, and will perform at the numbers that are needed."

Long-term, he'll continue to push initiatives to elevate membership benefits and become more diversified. There's a recruiting piece, attracting fresh talent and showing the public all the career opportunities they can capture in the industry. And there's a retention piece. "For this, we have to look at the challenges our members face. We're looking at how we can provide affordable childcare. We have a lot of single parents and women coming into the trade, so we want to support their needs so they can grow a career."

Coleman's passion for the industry is contagious.

"I'm just a kid from Cleveland, and becoming the general president of an unbelievable organization like SMART — I don't even know how to describe the feeling," he says. "I'm very proud. And I want to give back everything I can to the industry." ▼







FEATURE STORY

# Home Port for J.C. Cannistraro

**The FID is a symbol of workforce opportunity and economic redevelopment in the heart of Boston's industrial marine district.**

A fid is a marine tool used by sailors to untie and tighten knots. The name Fid also refers to South Boston longshoreman Thomas “Fid” Kennedy, who fought for his local union to raise work-life standards for city dockworkers.

To J.C. Cannistraro, the knot is generations-old relationships and an expanding family of dedicated workers who have helped evolve a small plumbing business into one of the largest mechanical construction companies in New England. Fid Kennedy Avenue is the new address for its headquarters. And The FID is a nickname for its new center for Fabrication, Industry and Design.

The 60-year-old, multi-trade contracting company redeveloped, restored and reinvigorated a 1940 Army Corps of Engineer metal shop that was built to support the allied war effort during World War II. It is located at 25 Fid Kennedy in “Building 16” in what was the Boston Navel Annex and is now The Raymond L. Flynn Marine Park. The 3.5-acre lot had fallen into disrepair — it was a shell of its industrial Art Deco self, yet contained rich history.





**“ FOR US, TO BE ABLE TO SHOWCASE OPPORTUNITY IN THE CITY AND RECRUIT YOUNG PEOPLE TO PROVIDE A CHANCE FOR FULFILLING UNION JOBS IS WHY WE EXIST. THE BUILDING IS THERE TO SUPPORT THAT MISSION FOR THE COMPANY, SO IT’S MUCH MORE THAN A FABRICATION SHOP.**

— JOHN CANNISTRARO JR.

John Cannistraro Jr., president, saw opportunity.

“We needed to get under one roof,” he says, explaining how the company has essentially added a trade every 10 years and now offers plumbing, HVAC, piping, sheet metal and fire protection services. J.C. Cannistraro maintained three shops and an office location on the outskirts of Boston.

But the majority of its work is in the metropolitan Boston area, Cannistraro says. Milestone projects include Gillette Stadium — home to the New England Patriots, revitalizing Logan Airport through many projects, and Harvard University Science

and Engineering complex.


“The beauty of being in the city is definitely an opportunity for workforce development and mentorship, and to have a presence,” Cannistraro says, emphasizing that one of the company’s goals is to connect people from different backgrounds living in all neighborhoods to the trades.

“For us, to be able to showcase opportunity in the city and recruit young people to provide a chance for fulfilling union jobs is why we exist,” he says. “The building is there to support that mission for the company, so it’s much more than a fabrication shop.”

### **HISTORIC PROPORTIONS**

The former heavy metal naval marine machine shop fit like a glove for J.C. Cannistraro’s operations. “You can drive the largest tractor trailers we use completely around and through the building,” he says. “And because it was used for manufacturing during the war, inside they had service boats, ships, marine craft, artillery, tanks — and a railway that went through the building.”

Measuring 157,000 square feet with two levels, it has a 50-foot clearance height on the first floor with a 20-foot ceiling on the second. Cannistraro envisioned a 25-foot-long material



hoist in the center lane, which was created during construction. “That way, a trailer truck of raw material piping can be unloaded and brought up to the second floor,” he explains.

On the ground floor, J.C. Cannistraro houses its fabrication operations for sheet metal and large HVAC welding. Upstairs is fabrication for fire protection, plumbing and small-bore piping. “It is perfect for our use,” he says.

Though getting it to this point required tremendous due diligence and rigorous pre-construction. That included working with the National Park Service to have the building and surrounding area designated as a historic district, which provided a needed financial incentive to take on the project. Plus, there were extensive negotiations with the Boston Redevelopment Authority and the Economic



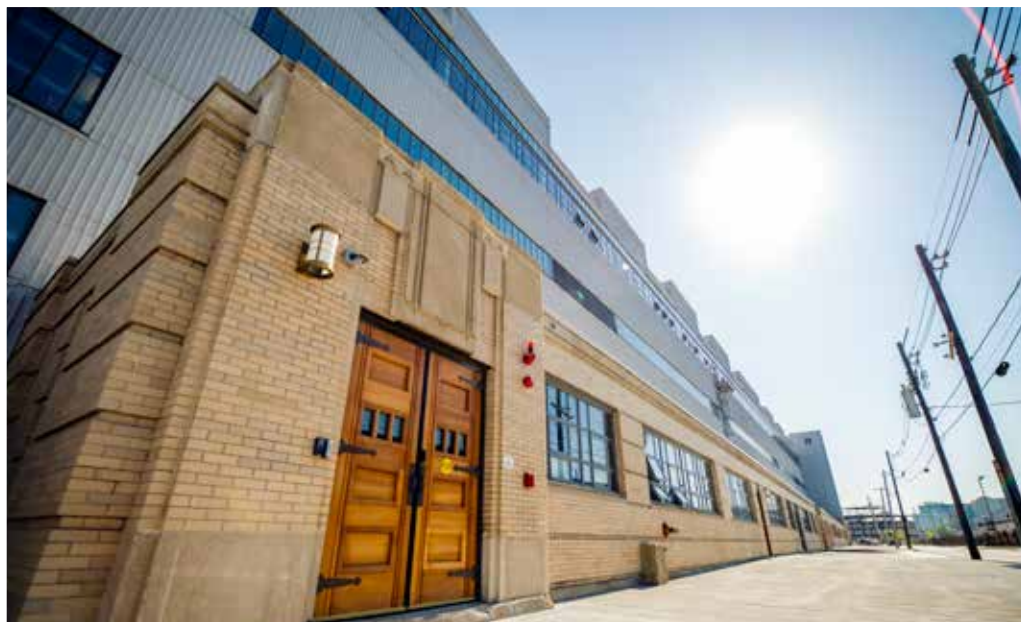
Development Industrial Corporation (EDIC) leading economic development on industrial and manufacturing properties in town, including The FID.

J.C. Cannistraro was awarded a 70-year lease. Indeed, the project is one-of-a-kind and triggered a domino effect of redevelopment in the neighborhood once completed. "The building is now informing the design of brand-new, state-of-the-art life sciences buildings that are popping up around us in the neighborhood," he says.

Companies like GE and Amazon are now close by, as is the development and construction company, Skanska.

In many ways, J.C. Cannistraro is helping pioneer a revival at the marine industrial park. This, too, speaks to the company's vision to mentor and pass it on — grow an avenue to provide a satisfying livelihood

*Today, J.C. Cannistraro offers plumbing, HVAC, piping, sheet metal and fire protection services. On page 14, an employee uses a Pittsburgh lock air hammer. Top: The Vernon MPM CNC 5-axis pipe cutting machine in use. Above: Stick welding using the Pandjiris pipe positioner.*



*Having an office in the city enables J.C. Cannistraro to boost workforce development and mentorship. Above, a J.C. Cannistraro employee uses an electric grinder.*

for families, and sustain trades for generations to come.

All this takes hard work, as did the planning and construction process at the old Building 16.

J.C. Cannistraro worked with a design team to adhere to strict guidelines for preserving the historic facility. “We replicated the façade, doors,

windows, exterior,” Cannistraro says. “Design started in 2016 and we were manufacturing product in the spring of 2018.”

The FID opened in 2017

and fabrication started in spring 2018.

### **THE LOGISTICS**

Cost was probably the greatest challenge, Cannistraro says. “Although it is more expensive to be right in the city, there’s a big productivity and delivery advantage to being located right in Boston,” he relates.

“When we are fabricating, we are just a mile or two from our projects, so it improves communication between the office, shop and field,” he says. “We can host project meetings right here with clients, engineers, architects and field leaders. Our clients can see the infrastructure being made and make modifications, and they know what’s there and that we can deliver



**THE FID SETS THE TONE FOR THE FUTURE OF OUR FIRM AND THE NEXT GENERATIONS OF WORKFORCE AND FAMILY. IT'S ALSO A SYMBOL OF PURSUING OPERATIONAL EXCELLENCE AND DEVELOPING THE WORKFORCE OF THE FUTURE."**

— JOHN CANNISTRARO JR.

it soon after it's completed. It really helps to have all of these resources under one roof."

As a 3.5-acre building, "it's still a tight spot for a mechanical construction firm of our size," Cannistraro says. With less storage, there is more just-in-time delivery, making scheduling and sequencing work even more of a focus. But this just makes J.C. Cannistraro work smarter and stay lean.

As for the move, consolidating three facilities into one central building was also a feat. "At the time, we had about 600 people in the field, and at maximum capacity we had about 100 various fabricating trades inside the shops," he says.

So, the transition occurred in stages to avoid downtime.

"We needed to continually get product out to the jobs and keep the field going with fabrication in the shop," Cannistraro points out.

### **A SYMBOL OF HOPE**

That's what Cannistraro calls The FID.

"It sets the tone for the future of our firm and the next generations of workforce and family," he says. "It's also a symbol of pursuing operational excellence and developing the workforce of the future."

J.C. Cannistraro offers a different construction culture that considers the whole person, treating employees like family, ensuring they get the support to thrive. "There are more multi-generation families

in this business than there are family members who manage the business," Cannistraro points out.

He wants young people to see they could join a legacy of success.

So, the company is in its second year of a summer camp through SMACNA's Heavy Metal Summer Experience. This year, 70 applicants tried for 14 available spots for the one-week program that is designed to prime the workforce development pump.

"To us, if we can bring new life into every single trade — even just a few people — in parallel with union efforts, over the course of 50 years, we can change the path for hundreds of families who can learn and

master a skilled trade and see what that can do for their future," Cannistraro says. "That is what keeps us going."

Cannistraro is the third generation, and his grandfather immigrated with his grandmother, neither speaking English. "My father was the first one to receive a formal education," he says. "Today, skilled labor and trades are just as important."

Leading by example is how skilled trades are carried on — the apprentice, the mentor, the relationship — a cycle that must continue. In every way, the reimagining of this naval industrial landmark is a symbol of just that.

Cannistraro says, "It's the project of a lifetime." ▼



# An Economic Overview & SMACNA Issues Update

The U.S. economy surprisingly accelerated to a 2.4% annual growth rate from April through June, showing continued resilience in the face of steadily higher interest rates resulting from the Federal Reserve’s 16-month-long fight to bring down inflation.

- And end of July estimate from the Commerce Department indicated that the gross domestic product — the economy’s total output of goods and services — picked up from the 2 percent growth rate in the January-March quarter. Last quarter’s expansion was well above the 1.5% annual rate that economists had forecasted.
- Driving the gain was business investment, which surged at a 5.7 percent annual pace, the fastest rate since late 2021.
- Companies plowed more money into

factories and equipment, increasing spending by state and local governments to add growth in June.

- A surge in government funding and related private investment is beginning to make its way to businesses and communities across the country, building electric vehicles, new bridges, airport upgrades and a host of other infrastructure and green energy projects that are juicing the economy — just when it needs it most.
- The federal government has announced some \$299 billion and has spurred another \$503 billion in business investment that is providing a surprisingly quick and robust boost to the U.S. economy.

The Biden administration estimates that three key pieces of legislation — the Inflation Reduction Act, Chips and Science Act,

and Infrastructure Investment and Jobs Act — will eventually translate to roughly \$3.5 trillion in funding over the next decade, including some \$1 trillion from private businesses — all boosting construction.

## SENATE PASSES SMACNA-ENDORSED S. 1111, NUCLEAR POWER ADVANCE ACT

Passed as part of the Senate National Defense Authorization Act (NDAA), SMACNA applauds a major milestone for S. 1111. A high priority sponsored by Senators Whitehouse (D-RI), Capito (R-WV) and Barrasso (R-WY) for more than a decade, this bipartisan energy bill made noticeable progress every year but fell short at the end of each Congress. While it has passed the Senate Energy Committee the last two Congressional sessions, it recently passed the full Senate. SMACNA’s priority is now halfway home to enactment with only the House-Senate Conference remaining. Importantly, the President pledged to sign S. 1111 when it hits his desk. S. 1111 (118) would expand nuclear energy to advance nuclear technologies.

**Contribution of Private Nonresidential Investment in Manufacturing Construction to GDP Growth, over time**  
Percentage points



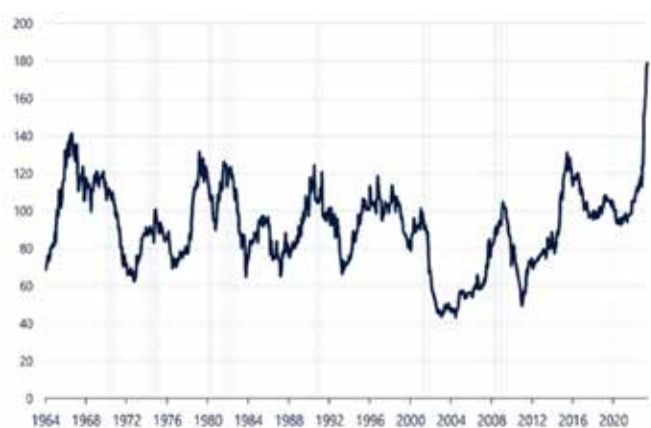
Council of Economic Advisers

Source: BES, CEA Analysis

Note: Bars depict the contribution of Private Nonresidential Investment in Manufacturing Structures to quarterly, seasonally adjusted real GDP growth. Line presents the four-quarter moving average of this series and thus represents the contribution to year-over-year real GDP growth. Gray bars indicate recessions.

As of July 13, 2023 at 2:30pm

**Inflation-adjusted private manufacturing/industrial construction spending**  
Billions of 2022 Dollars



Council of Economic Advisers

Source: Census, BEA, BLS, CEA Analysis

Note: Graph depicts manufacturing construction after 1993, industrial construction pre-1993. Deflated using the PPI Final Demand Construction for Private Capital Investment (post-2009), the Census implicit price deflator for Private Industrial construction (pre-2003), and an interpolation of BEA’s implicit price deflator for private fixed investment in manufacturing structures (2003-2008). Gray bars indicate recessions.

As of July 3, 2023 at 1:38pm

## Year-over-year change in Select U.S. price indexes

Monthly: July 2019 to June 2023



## DOL EMPLOYMENT AND TRAINING ADMINISTRATION (ETA) SENDS NATIONAL APPRENTICESHIP SYSTEM ENHANCEMENTS PROPOSED RULE TO THE WHITE HOUSE FOR FINAL REVIEW

The White House Office of Information and Regulatory Affairs (OIRA) received a proposed rule from the Department of Labor's Employment and Training Administration entitled, "National Apprenticeship System Enhancements." SMACNA's CHO and Labor Department Executive Directors operating as a team has been deeply engaged from square one in 2021 on both the development and regulatory comment phases of this proposed rule, including providing testimony, appearing in special White House hearings, providing comments and making recommendations for elements of this proposed rule.

In general terms, the Department is expected to use this rulemaking to revise its regulations governing the National Apprenticeship System.

The proposed rule is expected to ad-

The ADVANCE ACT would:

- Accelerate the deployment of advanced nuclear reactors in the US.
- Modernize licensing requirements to address the needs of new technologies.
- Identify regulatory barriers that limit the safe deployment of new nuclear technologies.
- Boost new technologies capable of radically reducing carbon emissions.
- Direct the Nuclear Regulatory Commission to create a pathway for conventional energy source sites to be repurposed and used in the future.

**Status:** The House-Senate NDAA Conference opens in mid-September.

### SENATE MAJORITY LEADER'S SEPTEMBER AGENDA FEATURES SAFE BANKING ACT (S. 1323)

To boost the odds of passage, we again expressed our support for passing the Secure and Fair Enforcement (SAFE) Banking Act of 2023, S. 1323, introduced by Senators Merkley (D-OR) and Daines (R-MT) and 42 bipartisan cosponsors. We have endorsed passing S. 1323 as a standalone bill or as part of another legislative package. The SAFE Banking Act would allow banks, cred-

it unions, and other financial institutions to offer banking services to legally operating cannabis businesses without fear of punishment by federal regulators. Enacting the

## COMPANIES PLOWED MORE MONEY INTO FACTORIES AND EQUIPMENT, INCREASING SPENDING BY STATE AND LOCAL GOVERNMENTS. A SURGE IN GOVERNMENT FUNDING AND RELATED PRIVATE INVESTMENT IS BEGINNING TO MAKE ITS WAY TO BUSINESSES AND COMMUNITIES ACROSS THE COUNTRY, BUILDING ELECTRIC VEHICLES, NEW BRIDGES, AIRPORT UPGRADES AND A HOST OF OTHER INFRASTRUCTURE AND GREEN ENERGY PROJECTS THAT ARE JUICING THE ECONOMY — JUST WHEN IT NEEDS IT MOST.

SAFE Banking Act would support a rapidly growing legitimate industry that creates jobs, supports small businesses and raises revenue in states that have chosen to legalize cannabis products. This banking reform would also reduce small business anxiety, contracting complications and safety risks.

**Status:** The SAFE Act will be voted on in the Senate Banking Committee in September with floor action following, unless added as an amendment to a related bill.

dress important issues, such as:

- Protection of apprentices
- State governance provisions
- Creating a process to direct federal apprenticeship funding to certain programs
- More clearly established pipelines to registered apprenticeships such as pre-apprenticeships.

The OIRA review is typically the final step before a proposed rule is then published in the Federal Register for any public comment. ▼



## BELONGING

Dushaw Hockett

# The Five Skills of an Effective Leader

**B**E4ALL envisions a sheet metal industry where ALL workers and contractors feel seen, heard and welcomed. To achieve this vision, we must build it.

Building this vision starts with the leader at an organization. There are five core skills that can help you create more welcoming workspaces that foster belonging.

They also are consistent with the vision and mission of BE4ALL, a joint initiative supported by SMART, SMACNA and the International Training Institute (ITI).

**1. Intergroup Contact.** Effective leaders make intergroup contact a daily practice where they step out of their comfort zones to engage people who are different (or those they perceive to be different). There are several ways to practice intergroup contact. In the workplace, the strategy may involve doing regular lunch meetings or check-ins with co-workers in which two people get to know each other beyond job titles and roles.

**2. Micro-affirmations.** BE4ALL leaders also practice micro-affirmations — small ways you can acknowledge the humanity, dignity and worth of others. They include:

- **Name Recognition.** Ask a person for their name, and then remember and repeat the name later (whether it's five minutes or five days) to signal to another person that, "I see you. You matter."
- **Life Events.** Inquire about important events in people's lives, including birthdays, anniversaries and important holidays. Record the dates in your calendar. Then, when an important date arrives, take a moment to acknowledge the person by sending a card, email or text.
- **Feedback and affirmation.** Take time to give other people feedback. Make it specific and genuine.

**3. Non-Biased Decision-making.** Another practice is non-biased decision-making. In the Bias and Belonging training sessions conducted by the ITI, instructors offer several tools to assist with non-biased decision-making, including using mental scripts.

A simple mental script goes like this: "What if I'm wrong, and what if what's happening in this situation is not (what I think it is). But, instead, it's (something else)."

Mental scripts invite us to pause and challenge our assumptions before making a decision.

**4. Courageous Conversations.** BE4ALL leaders regularly practice courageous conversations. A courageous

conversation is an exchange between two people. Usually, the conversation is initiated in one of two situations:

- When we feel that we have been wronged by someone.
- When we have done or said something (real or perceived) to wrong another person.

As part of the seven As of a courageous conversation, there are two that are foundational for every leader:

- **Anchoring.** Prepare yourself — mentally and emotionally — before the conversation. This provides a reserve of energy to tap into what can be a long and uncomfortable process. Preparation may include listening to music or going for a walk or run.
- **Acknowledging.** Share with the person ways that *you* may have contributed to the problem or tension. To do this, simply say: "I want to acknowledge that, at times, I can be or I may have done \_\_\_\_\_. And this may have contributed to the problem or tension we have."

The above practice is often referred to as looking in the mirror leadership versus looking out the window (where we blame and point fingers at others).

**5. Remembrance and Repair — the Two Rs of History.**

Finally, the effective leader takes the time to understand the history of diverse groups through remembrance and repair. Remembrance is the practice of reflecting on the past and looking for lessons that we can apply to the future. Repair is the practice of taking action — as individuals or through our organizations — to repair any harm caused by the past, and to ensure that the past does not repeat itself.

One of the easiest ways to practice remembrance is by visiting museums, either in person or virtually, such as the National Museum of the American Indian, The National Museum of African American History and Culture, The U.S. Holocaust Memorial Museum and the American Women's History Museum. Do not just "visit" the exhibits once. Instead, make it a ritual. ▼

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*Dushaw Hockett is the founder and executive director of SPACES, a Washington, D.C.-based organization dedicated to bridging the gap between what people imagine and what they achieve. He has over 25 years of experience in leadership development, organizational transformation and Diversity, Equity and Inclusion (DEI). He has also written several publications focused on cross-cultural communication.*





## FINANCIAL STEWARDSHIP

Ronald J. Eagar

# Clean Vehicle Credit Drives New Tax Savings for Contractors

As our world becomes increasingly focused on environmental, social and governance (ESG) issues, many businesses are turning to electric vehicles (EVs) to help reduce their carbon footprint and take a step forward into the more electrified world of tomorrow. In turn, the benefits they receive range from lower operational costs to higher reputational favor among stakeholders and clients. On the construction jobsite, electric heavy machinery can yield even greater levels of benefit through lowered noise pollution, emissions, energy usage and project costs.

Under the Inflation Reduction Act (IRA), contractors can now add significant tax savings to this list of benefits. Effective August 16, 2022 through the end of 2032, qualifying new and used commercial vehicles are eligible for the clean vehicle tax credits, IRC 45W. If applicable to your situation, it is also worth noting the availability of IRC 30D for EVs purchased in 2022 or prior and IRC 25E for used EVs.

Qualifying business vehicles weighing 14,000 pounds or more can now achieve up to a \$40,000 credit under IRC 45W (up to \$7,500 for qualifying vehicles under 14,000 pounds). To be considered a “qualified commercial clean vehicle,” it must be subject to a depreciation allowance, be utilized for business (not resale), and be primarily used in the United States. It must also be made by a qualified manufacturer and not have already been allowed another credit, such as under Section 30D. As with all proper tax planning or tax credit analysis, each taxpayer needs to make the proper analysis with their tax advisor to determine what makes the most tax-efficient sense for them, not only in the current year, but for future tax years to come. Sometimes focusing on the current year, and not looking forward, could end up actually costing you money or, in this case, losing credits you were counting on.

Mobile machinery is among the list of eligible assets under IRC 45W, making this an important tax-savings opportunity for contractors purchasing or leasing electric vehicles. These vehicles must be plug-in with a battery capacity of 15 kilowatt hours (7 kilowatt hours for vehicles less than 14,000 pounds).

The amount of the qualified commercial clean vehicle credit is the lesser of the following (up to the \$40,000 or \$7,500 cap):

- 15 percent of the taxpayer’s tax basis in the vehicle (30 percent if the vehicle is not powered by a gasoline or diesel internal combustion engine), or the incremental cost of the vehicle.

The IRS defines “incremental cost” for this purpose as “the excess of the purchase price of a qualified commercial clean vehicle over the price of a comparable vehicle.” A “comparable vehicle” is defined by the IRS as “a vehicle powered solely by a gasoline or diesel internal combustion engine that is comparable in size and use to the qualified commercial clean vehicle.”



**TO BE CONSIDERED A “QUALIFIED COMMERCIAL CLEAN VEHICLE,” IT MUST BE SUBJECT TO A DEPRECIATION ALLOWANCE, BE UTILIZED FOR BUSINESS (NOT RESALE), AND BE PRIMARILY USED IN THE UNITED STATES.**

There is no limit on the number of credits your business can claim, but they are nonrefundable. If the credit amount exceeds the amount of tax owed, it cannot be refunded but can be carried forward as a general business credit.

These rules are for business-use vehicles only. For personal-use vehicles, the rules before and after the enactment of the IRA (August 16, 2022) vary by income, cost and manufacturer limitations. With these recent changes, it is important to seek the advice of your tax professional to determine your business and/or personal eligibility, as well as the tax year in which to take the credit if the date of contract and date placed in service fall in different years. ▼

*For more information, please contact Ronald Eagar, partner at Grassi Advisors and Accountants, at [reagar@grassicpas.com](mailto:reagar@grassicpas.com) or 516.336.2460.*



## LEGAL

Grant Collins

# Best Practices for Using “Apprentices” on Davis-Bacon Projects

**T**he Davis-Bacon Act and its companion acts require all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the “prevailing wage” for corresponding classes of laborers and mechanics employed on similar projects in the area. The “prevailing wage” is the combination of the basic hourly rate and any fringe benefits listed in a Davis-Bacon wage determination.

On a Davis-Bacon project, the default rule is that every worker performing “covered work” must be paid at the rate set forth in the wage determination for the work that they perform. While there are limited exceptions for “trainees” and “apprentices,” the exceptions are very limited and using apprentices on federal projects presents several traps for unwary contractors, which are outlined below.

### **SPECIAL RULES FOR “TRAINEES” AND “APPRENTICES”**

As an initial matter, the definitions of “trainees” and “apprentices” are narrow and the burden is on the contractor to show that the definition applies to a particular worker. An “apprentice” is a worker who is either: (a) individually registered as part of a “bona fide apprenticeship program” or (b) a “probationary apprentice” who has been certified by OA or a state apprenticeship agency (as appropriate) to be eligible for probationary employment as an apprentice. DOL Handbook § 15e01(a). DOL guidance provides that “[a]ll apprentices other than probationary apprentices must be individually registered in the approved program” and “an apprentice will perform for the appropriate period of time all levels of work, from the lowest unskilled laborer’s work to the highest skilled or craft work of the finished mechanic, under the supervision of the journeyworker.” DOL Handbook § 15e01(a). A “trainee” is defined as a person registered in a construction occupation under a program which has been approved in advance by the U.S. Department of Labor, Employment and Training Administration, as meeting its standards for

on-the-job training programs and which have been so certified by that Administration. DOL Handbook § 15e02.

The proper wage rates to be paid to apprentices and trainees are those specified by the particular program in which they are enrolled, expressed as a percentage of the journeyman rate on the wage determination.

In the event employees reported as “apprentices” or “trainees” on a covered project have not been properly registered within the meaning of the DOL regulations and the contract stipulations, or are utilized at the job site in excess of the ratio to journeymen permitted under the approved program, they must be paid the applicable wage rates for laborers and mechanics employed on the project performing in the classification of work they actually performed. This applies regardless of work classifications which may be listed on the submitted payrolls and regardless of their level of skill.

### **“PRE-APPRENTICES” ARE NOT RECOGNIZED**

“Pre-apprentices” (also called “unregistered apprentices”) are not recognized under Davis-Bacon and cannot be paid a lesser wage than what is specified in the wage determination for the work that the pre-apprentice “actually performed”: DOL Handbook § 15e01(e).

### **(e) Unregistered apprentices**

29 CFR 5.5(a)(4)(i) says any employee listed on a payroll at an apprentice wage rate who is not a bona fide registered or probationary apprentice must be paid the wage rate for the classification of work actually performed. But the fact that a worker is listed on the payroll as an apprentice in a particular craft and paid an apprentice wage rate for that craft does not, in itself, mean that person performed only the work of, or used only the tools of, the craft in which the person is an unregistered apprentice, and it does not mean that the worker must be compensated only at the contract rate for that craft classification. Such an employee may actually be performing work as a laborer, and must receive at least the rate applicable for the classification(s) of work actually performed.

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As noted above, however, the definition of “apprentice” does include “probationary apprentices.” The definition of “probationary apprentices” is limited to workers who are: (a) in the first 90 days of probationary employment and (b) have been “certified by OA or a state apprenticeship agency (as appropriate) to be eligible for probationary employment as an apprentice.” DOL Handbook § 15e01(a).

### “HELPERS” MAY BE LISTED ON THE WAGE DETERMINATION

“Helpers” is a classification that is recognized in some localities, but the DOL rules make clear that the classification must be listed in the wage determination in order to be utilized by the contractor:

#### 15e05 Helpers

The term helper is defined in 29 CFR 5.2(n)(4). Helpers are permitted on a DBRA contract only if the helper classifications are specified in the applicable wage determination or conformed rates are approved pursuant to 29 CFR 5.5(a)(1)(ii). Helper classifications will be issued or approved only where the helper classification in question constitutes a separate and distinct class of worker whose use is prevailing in the area, and whose scope of duties does not overlap those of another classification (journeyworker or laborer). A helper may not be used as an informal apprentice or trainee, and it is not permissible for helpers to use tools of the trade in assisting a journeyworker. See 65 FR 69674, November 20, 2000. DOL Handbook § 15e05.

#### BOTTOM LINE

As you can see, there are several pitfalls to utilizing apprentices on Davis-Bacon projects. Contractors should be aware of the relevant rules and retain documentation relating to each apprentice. Specifically, a contractor would be wise to maintain a copy of the bona fide apprenticeship program and individual registration documents for each apprentice working on a Davis-Bacon project.

*Should you have any questions related to the Davis-Bacon process, please contact the SMACNA Labor Relations Department. ▼*

*Grant Collins is an MSBA-certified specialist in traditional labor law and employment law at Felhaber Larson. He advises employers on their rights and obligations under collective bargaining agreements and the NLRA and represents employers in unfair labor practice charges. Reach him at gcollins@felhaber.com.*

**SMACNA’s Associate Member program provides an opportunity for industry service providers and suppliers to build lasting partnerships with our industry-leading contractors.**

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SMACNA CALENDAR

**SEPTEMBER**

**September 17-20**  
Project Managers Institute  
Aurora, CO

**OCTOBER**

**October 1-4**  
Financial Boot Camp  
Rosemont, IL

**October 15-18**  
2023 SMACNA Annual Convention  
Phoenix, AZ

**NOVEMBER**

**November 5-7**  
Planning Your Exit and Business  
Valuation  
San Diego, CA

**November 12-15**  
Project Managers Institute  
Seattle, WA

**November 13-14**  
FAB Forum  
Indianapolis, IN

**DECEMBER**

**December 10-12**  
Council of Chapter Representatives  
Meeting  
Scottsdale, AZ

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**Welcome New SMACNA Members**

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Alloy Architectural Solutions	Melrose Park, IL
Atlas Sheet Metal LLC	Loves Park, IL
Hyde-Stone Mechanical Contractors Inc.	Watertown, NY
Northern Mechanicals Inc.	Norfolk, NY
Sterling Commercial Roofing	Sterling, IL