



**ALERT**  
Fourth Quarter 2005



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## Airconditioning & Refrigeration Industry Pension Fund Debate

Many of our contractors, and the Association office, have been contacted by retirees concerned by information distributed by UA Local 250 that indicates the Trust Fund pension may be reduced by 35%. It is important that retirees understand that there is no proposal pending that would impact their pension. In fact, to reduce a current retiree's pension would be a violation of the Employee Retirement Income Security Act (ERISA). Active employees vested pension credits would also not be affected. Only pension credits earned after January 1, 2006 would be affected by the pending action.

The Trust Fund's actuary, Kaufmann and Goble, performed the most current evaluation of the retirement plan. They (Kaufmann and Goble) determined the Airconditioning and Refrigeration Retirement Fund required an additional contribution of \$1.62 per hour. The actuarial calculation was made using a formula that was unanimously agreed upon in August 2000, by both the management and labor trustees. The labor and management trustees unanimously agreed to increase the pension credit effective January 1, 2001, using a 15 year amortization period, 90% of market value of assets, that all vested benefits must be fully funded, and that there can be no withdrawal liability. The collective bargaining parties also agreed that all vested benefits must be fully funded and that there can be no withdrawal liability. The collective bargaining agreement provides further that should the hourly contribution not be sufficient to maintain the pension credit, the benefits must be reduced. The collective bargaining agreement contains very specific language addressing this issue.

Now that the hourly contribution and the plan assets have become insufficient to meet the mutually agreed upon level of funding, the management trustees have proposed nothing more than what was previously agreed to by the labor trustees. Any questions regarding this important pension issue should be directed to the Association office.

### JJATC Apprenticeship Award Winners !

October 1, 2005 Pasadena Hilton

#### #1 Academic Apprentice Award

Tomas Bernal Jr. South Coast Mech.

#### #2 Academic Apprentice Award

Chris Potts Key Mechanical

#### #3 Academic Apprentice Award

Joseph Wisdom Weatherite

#### Outstanding Apprentice Award

Henry Stearns Comm Air/Carrier  
Brian Bartos Comm Air/Carrier

#### Leon Maxwell Award

Ricardo Ramirez Western Allied

#### Lew Charde Memorial Award

1st year	Thomas Archibeque
	Cal Air
2nd year	Dustin Gerber
	ACCO
3rd year	Adel Shaker
	Siemens
4th year	Leah Gintz
	Air Conditioning Solutions

#### Perfect Attendance

Randall Allison	LA County
Che Avery	CAT Inc.
Thomas Bernal Jr.	South Coast Mech.
David Kanno	LA County
Thomas McGriff	Comm Air/Carrier
Francisco Median	Tyler
Victor Peinado	Vantage Air

# President's Message



**Phil Evans**

The **ARCA/MCA member companies** recently held two industry meetings, one on August 29, and the annual membership meeting on October 26. Both meetings were well attended. The August 29 meeting demonstrated the importance of attending our industry meetings. It was at this meeting we reviewed and discussed the issues relating to the assignment of new construction work performed under the **ARCA/MCA HVACR** agreement, the future of HVACR service work throughout Southern California, and the impact on the benefit trust funds and training centers. Many of those at the meeting voiced concerns and raised issues that helped to formulate the Association's position.

The **member companies** who were unable to attend should be aware that the input from each and every company in attendance, regardless of size, was considered in formulating our position. A tentative agreement was reached with the Union that incorporated the industry positions as determined in our meeting. This same tentative agreement was reviewed, discussed, voted on, and tentatively approved at the annual membership meeting. Next year during the contract negotiations the Association will be asking for your attendance and participation at special membership meetings. Be sure and take the time and make the effort to participate. Not to take advantage of the opportunity to input your advice and your needs and concerns could not only affect the future of your company, but also the future of all the other companies in your Association.

**Phil Evans ... Wittler-Young Service Company**



## Dispatcher Training Class Sold Out!

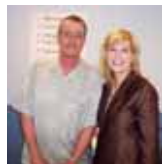
Nov. 2-3, 2005  
Orange County Training Center



Instructor  
Nancy Bandy



**30 participants learn skills to improve job performance!**



Coordinator of Training,  
Don Dietiker with  
Nancy Bandy



# Training



## IRS increases mileage rates for the last four months of 2005.



Because of spikes in gas costs following Hurricane Katrina, the IRS has made a special adjustment to the optional standard mileage rate, increasing it to **48.5 cents a mile** for all business miles driven between September 1 and December 31, 2005. That's an eight cent increase from the rate in effect for the first eight months of the year. Normally, the IRS updates mileage rates once a year in the fall for the following calendar year. The IRS has decided to wait until closer to January to set the rate for 2006. The optional business standard mileage rate is used to compute the deductible costs for operating a vehicle for business use in lieu of the extra burden of tracking actual costs. The rate for computing deductible medical and moving expenses for the last four months of the year will be **22 cents a mile**, an increase of seven cents per mile from the first eight months of the year.

**Standard Mileage  
Rate Increases for the  
last 4 months of 2005**

## Liability Insurance Reform May Become Reality...

*Submitted by Politico*



In recent years, our contractors have seen double-digit percentage increases in their premiums for general liability insurance. In many cases, our contractors are unable to obtain liability insurance that will allow them to bid on residential work. The number one cause for these steep price increases and absence of available coverage, are legal loopholes allowing construction companies to write contracts immunizing themselves against liability for the consequences of their actions.

**Specifically, in California**, it is legal for a developer or prime contractor to contractually require a subcontractor to insure against losses caused by the negligent actions of the developer or prime contractor or any other subcontractor they may have hired. These contract agreements are commonly called Type 1 indemnity agreements.

**The California Legislative Conference (CLC)** co-sponsored measure (AB 758) addressing this problem. The measure recently passed out of the Senate Judiciary Committee and is on its way to a floor vote and then the Governor for signature.



**This measure** sets forth a true comparative fault system and outlaws these Type 1 indemnity agreements in all residential construction contracts. A true comparative fault system would hold a contractor or subcontractor liable only for the work performed or arranged for by that contractor or subcontractor. This would also include that the hiring entity be solely responsible for any "orphan share" created by an entity that is no longer in existence.

**We will update you** as the measure moves further through the legislative process. Due to the importance of this issue, letters to the Governor in support of AB 758 may be requested.

## Service Managers' Roundtable Update

**The service managers' roundtable** addresses current industry issues to assist the service managers in the day-to-day operation of their job. The service managers select the agenda topics. During 2005, a few of the agenda topics discussed were increasing fuel costs, telephone and radio systems, utilization of field technology, training center programs, and hazardous waste disposal. To allow convenient attendance, the meeting is held at two locations, the Los Angeles training center and the Orange County training center. The two locations are connected by I-TV. The meeting begins promptly at 11:00 a.m. and concludes no later than 1:00 p.m. Lunch is provided. Contact the Association office if you would like to be added to the email invitation list.

**The service managers' roundtable meeting dates for 2006 are March 7, June 6, and November 7.**

# ARCA/MCA

*Southern California*  
**ALERT**

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**Richard J. Sawhill**  
Executive  
Vice-President

**Have a Happy New Year  
And a Prosperous 2006!**

## December 2005

1-2	MCAA Industry Funds Conference (Long Boat Key, FL)
5 5:00 pm	Inland Refrigeration Training JAC and Training Trustees
6 11:00 am	Service Managers Roundtable
7 11:30 am	CLC Committee meeting (Sacramento)
8 11:30 am	ARCA/MCA Board of Directors Year End Luncheon
23-26	ARCA/MCA office closed
30-31	ARCA/MCA office closed

## January 2006

2	ARCA/MCA office closed
4 10:00 am	SCPT Administrative and Delinquency Committees
9 5:00 pm	Inland Refrigeration Training JAC and Training Trustees
10 8:00 am	ACRT Delinquency and Benefits Committees
12 10:00 am	P.I.P.E Board of Directors
16-17	MCAA Collective Bargaining Conference (Tucson, AZ)
17 11:00 am	A&J Board of Trustees
25 8:00 am	SCPT Appeals Committee
25 10:00 am	SCPT Board of Trustees
31 9:00 am	Inland Refrigeration Benefit Funds Board of Trustees

## Mission Statement

**ARCA/MCA**  
*Southern California*

The Mission of the Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc. (ARCA/MCA Southern California) is to exceed the expectations of the Association's member companies. The Association will provide a link of communication that will address, advance, and inform the Association membership of the latest updates on legislation, technology, and issues pertinent to the Airconditioning, Refrigeration and Mechanical Contracting Industry. The success of the Association in achieving this Mission is to be based on integrity and loyalty to its members. We will strive to be diligent and flexible by supplying services the membership needs to be competitive in an ever-changing business environment.

### *Training Center Offers \$100,000 for Extra Training*

**Nationally recognized** for its training efforts is just not enough for the Joint Journeymen and Apprentice Training Center. The Training Center wanted to make the latest and greatest innovations available through training and thus the Training Voucher Program was created. The Training Voucher Program makes \$100,000 a year available for contractors to use for Trust participants to receive extra training available through various manufacturers. The Program reimburses the hourly rate for the mechanic to help ease the contractor's financial burden of providing special training.

Since the Voucher Program's inception in 1999, Local 250 contractors have received over \$260,000 in Training Voucher reimbursements from the Training Trust. Each fiscal year contractors are mailed a copy of the voucher guidelines along with notification of their allotment of Voucher funds. Ever dedicated to rewarding those striving to be on the cutting edge of technology, after the first six months, the unused funds are opened up to any contractor wanting to provide additional training. (Over and above their allotment)

**Don't miss out** on this opportunity to train your workforce. Local 250 can only gain strength through knowledge and expertise that training provides. Invest in the future of your mechanics and use the Training Voucher Program!

If you have any questions regarding the Training Voucher Program, call the Training Center office at (213) 747-0291.

### **GOOD NEWS...**

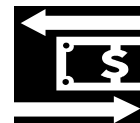
#### **from the Airconditioning and Refrigeration Industry Joint Trust Fund**

The Airconditioning and Refrigeration Industry Joint Trust Fund is now ready to begin electronic reporting of your monthly contributions via a secure Website. You will receive shortly a demo disk of the system along with other information. There is no special equipment or software that you need to purchase. All you need is a computer with access to the Web. Also, you will be invited to participate in an on-line training session with the provider of the software. If additional training is necessary, we will be happy to accommodate you, either by telephone or in person at your office.

We expect to have a few employers test the program with their December remittance of November hours. The remaining employers will have access to the system in January 2006. Although there are too many features to cover in this article, we are confident that you will appreciate the flexibility and simplicity of the program. Use of the program is optional at this time. However, the benefits of reducing the time spent by your payroll staff and the elimination of errors will be all the motivation you need.

The Airconditioning and Refrigeration Industry Joint Trust Fund staff looks forward to working with you for mutual benefit.

Please call the Trust Fund Administrator, Jack R. Wilkerson, at (714) 917-6122, should you have any questions.

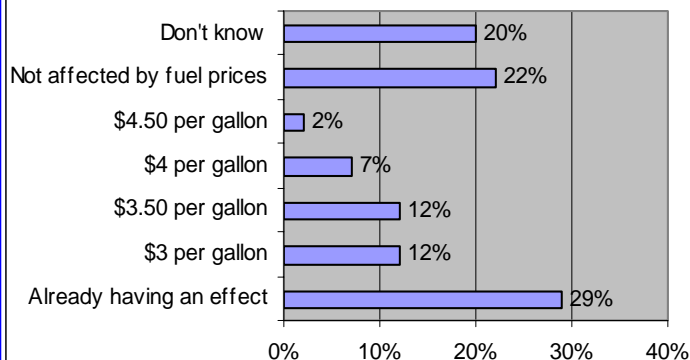


### **On the Minds of CEO's : Oil and gas worries**

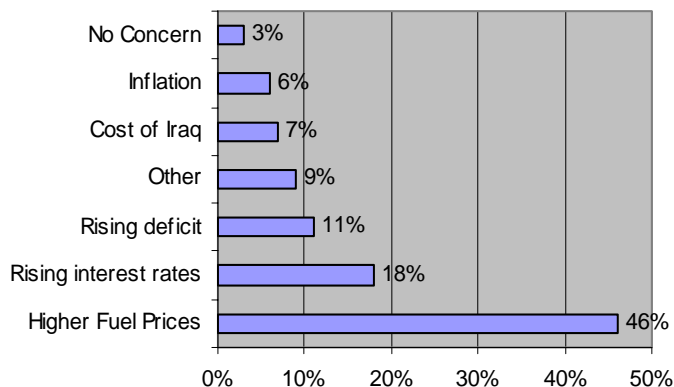
TEC International asked more than 2,000 CEO's about energy costs.

USA Today  
September 2005

#### **At what price does gas significantly affect how you conduct business?**



#### **What concerns you most about the economy?**



## Easy Ways to Make Home, Laptop and Small Office Computer Safer!



**Shut down your computer at night and when it is not in use.** Network and web servers need to stay on all night. PCs do not. Prolong the life of your PC, save on your electric bills and cut the chances of having your computer become a pawn of those wishing to use it to send spam, viruses or grab your personal information *just by turning it off when you are not using it.*



**Turn on the “Automatic Update” feature of Windows and let the computer do all of the work for you.** Microsoft and Windows are not “evil.” They are just big targets. Therefore, if you use Windows, take advantage of the “Automatic Update” tool that comes with it and let the computer close the holes *before* they can be exploited by viruses. You will make the transition from reactive to *proactive* without lifting a finger. By the way, be sure to let the computer finish if you see a message pop up – auto updates won’t do any good if you stop them early!



**Purchase an anti-virus product from a reputable maker, pay for the yearly subscription and set it to update automatically.** McAfee, Symantec, and Computer Associates make great products and have inexpensive yearly subscriptions which will teach your computer the patterns of any new viruses that emerge after you buy the software. Many people forget that they need the additional subscription to stay protected after the initial purchase, decry the extra expense or believe it will make extra work for them. In fact, the opposite is true. An inexpensive yearly subscription combined with “auto updates” will drastically reduce the amount of attention you will have to give to upkeep. Let the software do the work. Pay for the subscription each year to make it continuous and set the updates to “automatic” This provides great peace of mind at a very low price.



**Don’t open any attachments (or click on any e-mailed links) you were not specifically expecting, even if they are from someone you know.** This trick is an oldie but a goodie because it still works. Modern viruses can pretend to be from someone you know and often uses generic or provocative statements to pique your curiosity and get you to open the attachment. Before opening anything, clicking on a link or following any instructions in an e-mail, **STOP.** Remember that the damage the attachment could do may affect you and any business contacts of family members you have in your address book. These days, “skeptical” is better than “gullible.” Call the person who appears to have sent it if you are not sure why you received the message. If they did not send it, throw it away without opening it.



**Watch out for “phishing” scams.** “Phishing” scams are more malicious than hoaxes. They may pretend to come from your bank, an online auction site or another “trusted” name with which you may do business. (Popular ones currently include CitiBank, Sun Trust, E-bay, PayPal and Smith Barney.) They ask for personal or financial information. **STOP** before you type anything. The e-mails may look very real, but reputable institutions do not use e-mail for such communications. It is not secure. Call your bank through a number on a paper bank statement if you are not sure, but **NEVER** type social security numbers, bank account numbers or other information into an e-mail. If you have been a victim of such a crime, go to the FTC website and report it at [www.ftc.gov/bcp/online/pubs/alerts/phishingalrt.htm](http://www.ftc.gov/bcp/online/pubs/alerts/phishingalrt.htm).



**Notice sudden changes in your computer’s speed or behavior.** Pay attention to the sounds, sights and behavior of your computer when it’s new and functioning properly. Take notice of any changes and write down the date and time when you install new programs in case you encounter a problem. If you experience sudden changes that do not correspond to a new installation or a malfunctioning piece of equipment, there might be a virus at work. Update your anti-virus signatures and Windows and do a manual scan of the computer for viruses. (Contact your anti-virus vendor if you’re not sure how to do this, as the help is part of your subscription.) If the virus scan comes back clean, it may be another problem, but it’s an easy thing to rule out.



**Consider purchasing anti-spam software or using the type that your e-mail provider offers.** Sometimes it’s very hard to tell viruses from spam. In the end, they both do much the same thing...fill your in box and hamper your productivity. Many e-mail providers are now offering spam blocking as a service. If they do, try it and see what happens. You may be pleasantly surprised. If they do not, visit your local computer store and ask for anti-spam software. The price will be between \$25 and \$100. This is well worth it to take back your in box.

...Submitted by MCAA Information Technology Department