



ARCA/MCA

Southern California

ALERT



Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc.

Second Quarter 2005

www.arcamca.org

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Soon To Be Offered Education Opportunities

The following courses will be offered at the Los Angeles and Orange County Training Centers in the Fall of 2005. These courses are designed to keep our journeymen the best trained in the airconditioning and refrigeration industry. Watch for information from the Training Center regarding signups.

The School of Hard NOx

Don't spend any more time in trial and error procedures with Low NOx boilers. Come to the training class that will remove the mystery from Low NOx applications. Three 3-hour classes, lead by Ray Pak, will discuss proper application, start up, service and troubleshooting of Low NOx boilers.

The New Compressor



Go to this website and see what all the buzz is about, <http://www.turbocor.com/> Turbocor's family of compressors, the world's first totally oil-free compressors, are specifically designed for the Heating, Ventilation, Air Conditioning and Refrigeration (HVACR) industry. Come learn about this revolutionary compressor in two 3-hour sessions.

Don't Crack Under Pressure

How to work safely on R-410A systems. What is different from R-22? Come to two 3-hour classes to become confident when working on R-410A. A certificate is included with successful grade on test.

Solutions to Oil Issues

Best ideas for OIL MANAGEMENT with hermetic compressors. Copeland, Carrier and Tyler discuss handling oil in common circuit burnout situations and oil filter applications. This class will be taught in two 3-hour classes.

Anaheim Training Center (JJATC)
1380 South Sanderson Ave. #202
Anaheim, CA 92806
714.491.2754
Don Dietiker

Los Angeles Training Center (JJATC)
2220 South Hill Street
Los Angeles, CA 90007
213.747.0291
Tom Newbro

President's Message



Our HVACR Industry is experiencing many national employee labor benefit issues locally in our Southern California marketplace. Primarily, there are two main issues; funding of defined benefit pension plans and funding of health plans for active and retiree participants.

With respect to our signatory defined benefit plans, the number of retirees continues to grow as a result of earlier retirements, longer life spans after retirement and little growth in active contribution hours. Coupled with lower rates of returns in the financial markets, these pension plans require increased contributions to maintain current pension benefits.

In order to maintain current pension benefits, the local Air Conditioning and Refrigeration Pension Trust Fund requires \$1.27 per hour increase. The UA National Pension Plan requires \$.25 per hour increase to maintain current benefits. The combined pension monies required is \$1.52 per hour.

The signatory health plan for the local Air Conditioning and Refrigeration Trust Fund has similar problems. Contribution hours are the same for this fund, no growth. The retiree population in the fund is growing in number and they are living longer. Healthcare costs exceed inflation, particularly prescription drugs. The net result is \$.78 in new money is needed to maintain the current benefits.

In total, \$2.30 per hour is needed to maintain pension, and health benefits at their current level. Our current collective bargaining rate increase effective September 1, 2005 is \$1.25. There certainly is not enough money to maintain the level of benefits currently enjoyed, much less address the inflation costs in housing and petroleum products.

Your Board of Directors, and Trust Fund Management Trustees have difficult tasks to balance benefits and contribution income within these funds. We will keep you informed of our Association positions, progress and solutions to resolve these issues.

Ken Westphal

Industry Training Voucher Program

The Training Center's voucher training program will be renewed for 2005-2006. This voucher program has provided numerous contractors with the ability to enhance the educational opportunities for its mechanics by off-setting the labor expense while obtaining specialized training for their workforce.

The money can be used to pay the wages of an employee that travels to a location for specialized training, or to pay for the labor cost when a specialized training program is brought in-house to train many employees at a time. Effective July 1, 2005 each signatory contractor has an annual minimum of \$1,000 available. Some companies have more than the minimum available based on that company's contribution as a percentage of the total industry training center contributions. However, on January 1, 2006 minimum funds that have not been requested by any company become available for all other interested companies. To utilize the available funds a contractor must:

- **Apply for funding approval prior to the start of the specialized training.**
- **Use the voucher funds for reimbursed wages, up to a maximum of \$1,000 per voucher per week, or the maximum available voucher funding, whichever is less.**
- **Submit a copy of the timecard and a completion certificate from the specialized training course.**

The Voucher Committee consists of the Training Center Trustees and the Training Center staff. Contractors are strongly encouraged to take advantage of this available funding.

If you have any questions about the details of this program contact the Training Center at 213.747.0291.

Contractors State License Board Ready to Implement New Fingerprint Law

Effective January 1, 2005, the Contractors State License Board (CSLB) will implement a new law that will require people seeking a new license to submit a full set of fingerprints. The information below focuses on how the program will work and whom it will affect.

Who is affected?

***Starting January 1, 2005 (Phase I)**

All personnel listed on an application if the qualifier is required to take an exam. Current licensees applying for additional classifications will not need to submit fingerprints until Phase II in the spring.

***Starting April 1, 2005 (Phase II)**

Current licensees who apply for additional classifications, as well as each officer, partner, owner, responsible managing employee and home improvement salespersons will also need to provide fingerprints whenever an application is submitted for a license, registration or to change an officer on an existing corporate license.

Who is not affected?

People who are already licensed by the CSLB and do not apply for any changes to his/her license will not be required to submit fingerprints. The only exception is in a case where the license expired more than 5 years ago and therefore is no longer renewable. Applicants for a joint venture license do not have to submit fingerprints.

How will applicants get a fingerprint packet?

Once applicants submit a license application, CSLB will send out a fingerprint packet. This packet must be used to submit fingerprints.

Where do applicants get fingerprints taken?

Fingerprint services are available at most local police departments, sheriff's offices or any public applicant Live Scan station.

How will the fingerprints be used?

The fingerprint information will be used by the Department of Justice (DOJ) to conduct a criminal background check on the applicant. The CSLB strongly encourages all applicants who are required to submit fingerprints, to utilize the Live Scan system. By doing so, CSLB expects that the new requirement will not add any additional time to the application process for individuals who do not have a criminal history. Utilizing the old "fingerprint card" system could delay an application by three to six months or more.

A listing of Live Scan locations is available on the Internet at: <http://caag.state.ca.us/fingerprints/publications/contact.pdf>

For more information on the new requirements, please visit the CSLB Website: www.cslb.ca.gov or call 1.800.321.2752.

Article information provided by POLITICO (www.politicogroup.com)



2005 MCAA Annual Convention

ARCA/MCA Southern California was awarded the 2004 MCAA Best Practices Award for their Succession Planning Initiative. The award was presented at the MCAA Annual Convention held in March in Scottsdale, AZ. Pictured left to right are **ARCA/MCA Southern California** Board Members Sal Buongiorno of Barr Engineering, Spence O'Brien of Cal-Air, United Association General President William P. Hite, Kenneth Westphal of ACCO Engineered Systems, Joseph Urban of Thermalair, Michelle Villa of Darrow Heating and Cooling, and Richard J. Sawhill of **ARCA/MCA Southern California**.

ARCA/MCA

Southern California

ALERT

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Richard J. Sawhill
Executive
Vice-President

Save the Date!

Wednesday, October 26, 2005

ARCA/MCA Southern California
Annual Membership Meeting

APRIL 2005

1		Western Mechanical Conference (Monterey, CA)
5	8:30 am	ACRT Appeals Committee meeting
6	9:00 am	Journeyman Training Committee meeting at Orange County and Los Angeles Training Centers (I-TV)
11	5:00 pm	Inland Refrigeration Training JAC and Training Trustees
12	4:00 pm	Joint Apprenticeship Committee (JAC)
13	10:00 am	SCPT Administrative and Delinquency Committees
14	10:00 am	ARCA/MCA Southern California Board of Directors
14	10:00 am	P.I.P.E. Board of Directors
19	9:00 am	Inland Refrigeration Benefit Funds Board of Trustees
26	8:00 am	ACRT Delinquency and Benefits Committees
27	8:00 am	SCPT Appeals Committee
27	10:00 am	SCPT Board of Trustees

MAY 2005

9	5:00 pm	Inland Refrigeration Training JAC and Training Trustees
3-5		MCAA National Issues Conference (Washington, D.C.)
10	4:00 pm	Joint Apprenticeship Committee (JAC)
11	10:00 am	JJATT Board of Trustees meeting
16-18		Int'l Foundation Legislative Conference (Wash, D.C.)
17	11:00 am	A&J Board of Trustees
24	8:00 am	ACRT Investment Committee
24	10:00 am	ACRT Board of Trustees
25	8:00 am	SCPT Finance Committee
26	8:00 am	San Diego Contractors breakfast meeting with
27		UA Local 230 at Milton's Restaurant

JUNE 2005

2	11:00 am	California Oversight Committee (Oakland)
6	5:00 pm	Inland Refrigeration Training JAC and Training Trustees
9	10:00 am	ARCA/MCA Southern California Board of Directors
14	11:00 am	Service Managers Roundtable (Flag Day!)
14	4:00 pm	Joint Apprenticeship Committee (JAC)
14	5:30 pm	JJATC Instructors Dinner
15	9:30 am	CLC Committee meeting (Sacramento)
17	11:30 am	UA Local 230 Labor/Management meeting
26-30		No. American Pipe Trades Training Conf. (Hollywood FL)

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.

Service Department Financial Management Program

In February, Steve Smith, Vice President of ACCO Engineered Systems, made a repeat performance (by popular demand) for **ARCA/MCA Southern California** member companies of his Service Department Financial Management Program. This program has proven to be a must for every Owner, Service Manager, Operations Manager and Controller who is interested in increasing the profitability of his or her service operations. In some instances, Steve's presentation has assisted companies develop a service operation.

The Pacific Palms Resort meeting room was full of participants that gave Steve's program very high evaluation marks. Steve has presented this program nationally for the Mechanical Service Contractors Association (MSCA), as well as individual MCAA Associations across the country. Steve will again provide the program at the 2005 MSCA Educational Conference in Vancouver, Canada.



Steve's programs are always well attended by
ARCA/MCA Southern California member companies.



Steve Smith
Vice President, ACCO Engineered Systems

Order your "Labor Estimating Guide for Service" Now!

Orders are now being accepted for MSCA's highly anticipated "**Labor Estimating Guide for Service**". This Guide provides comprehensive lists of the routine maintenance tasks commonly performed on 50 different types of mechanical equipment, a description of the procedure required to complete each task, the recommended frequency the task should be performed, and the average time to complete that task derived from industry consensus data. Equipment is listed alphabetically and a simple "click" on a particular piece of equipment will take users directly to the tasking sheet for that equipment. The Guide also includes a discussion of the basic assumptions that are presumed to exist when utilizing the data and a detailed listing of labor correction factors that need to be applied under certain circumstances. The Guide is available in an easy-to-use CD-ROM format.

To order, go to www.msca.org for an order form or call **301.990.2200**.

The price for **MSCA** and **MCAA** members is **\$65** per copy.





USERRA Poster Requirements Go Into Effect March 10, 2005

The Veterans Benefits Improvement Act of 2004 (VBIA), P.L. 108-454, was signed into law by the President on December 10, 2004. Among the VBIA's provisions was a requirement that employers post notice of basic Uniform Services Employment and Reemployment Rights Act (USERRA) rights and duties in their places of employment. USERRA provides reemployment protection and other benefits for veterans and employees who perform military service. The new posting requirement will become effective March 10, 2005. The Secretary of Labor was charged with the responsibility of creating a poster containing the required language.

At the present time, the draft text of the USERRA poster is undergoing final Department of Labor (DOL) clearance. However, the preliminary version of the USERRA poster is currently available on the Veterans' Employment & Training Service (VETS) section of DOL's website at :

<http://login.sendmetric.com/ct/ct.php?t=89245&c=74472068&m=m&type=4>

The DOL plans to publish the text of the poster along with instructions for posting and how and where it can be obtained in the Federal Register. VETS advises that for the time being, the draft USERRA poster is the only "official version" available, and can be posted by employers until the final version is approved. VETS will issue a news release to advise the public when the poster gets final clearance.

Questions regarding the Poster or USERRA should be addressed to Jesse L. Miller at (415) 544-1083 or jmiller@seyfarth.com or the Employee Benefits Attorney or Labor and Employment Attorney with whom you normally work.

Mr. Miller is a Senior Associate in the San Francisco office and a Major in the California Army National Guard.

Article provided by Seyfarth Shaw LLP

seyfarthshaw@seyfarth.com

New Legislation would encourage replacement of CFC Chillers

U.S. Rep. Peter Hoekstra (R-MI) has re-introduced the **"Cool and Efficient Buildings Act,"** that would accelerate the depreciation period (from 39 to 20 years) for HVAC equipment installed on or in non-residential buildings as an incentive for property owners to replace them with cleaner, more energy-efficient equipment. According to the U.S. EPA, replacing more than 36,000 chillers that were still in service in 2004 with more efficient equipment could reduce energy consumption by 7 billion kilowatt hours per year, save \$480 million annually, and avoid 4 million tons of carbon dioxide emissions. The electricity saved would be enough to meet the average annual electrical needs of approximately 740,000 American households. MCAA has supported similar legislation in the past. Visit <http://constructionalliance.org> to review the *Leasehold Improvement Depreciation* paper.

New Trust Administrator on board!

In January of 2005, Mr. Jack Wilkerson officially became the new administrator for the Airconditioning and Refrigeration Trust. Before taking this position, the past 2 years Jack was the administrator for the Southern Nevada Carpenters Trust in Las Vegas, Nevada. For eight years before that he was a Senior Vice President with Associated Third Party Administrators in Las Vegas. Jack was born in Georgia and moved to California at the age of 12. Jack graduated from Whittier College, Beverly School of Law and is a licensed attorney in California. Jack's interests are music, reading and bicycle riding. He has 3 children and 3 grandchildren, who live in Southern California.

