



Magazine



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SMCA Engineers' Night New Location

SMCA Golf Outing

Summer 2022 Volume 3 Issue 3

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Hays Sheet Metal, Inc. , 856-662-7722, Pennsauken, NJ	Thomas Company, Inc. , 856-432-6373, Brooklawn, NJ
Hunter Mechanical, Inc. , 610-344-9777, West Chester, PA	Total Comfort Solutions , 215-671-8375, Philadelphia, PA
Independent Balancing Co., Inc. , 215-849-3131, Philadelphia, PA	W. F. Smith, Inc. , 215-624-1313, Philadelphia, PA
Keystone TAB Consulting, LLC , 610-353-6979, Media, PA	Wm. J. Donovan Co., Inc. , 215-225-3677, Philadelphia, PA
Lor-Mar Mechanical Services, Inc. , 856-662-5151, Pennsauken, NJ	

SMCA STAFF

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<u>Membership Services</u>	Trish Casey - tcasey@smca.org
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From the Exec's Desk

Greetings,

Summer is here and we are looking forward to recharging our batteries after a busy spring for SMCA. SMCA leadership was on the move this spring – Partners in Progress brought labor and management together in Las Vegas to address industry issues; the Northeast States Annual Meeting brought contractors throughout the East Coast together in Aruba to plan for the upcoming year; and SMACNA's Collective Bargaining and Association Leadership meetings in Dallas connected chapters from around the country. The SMCA Negotiating Committee successfully reached a new agreement with Local 19 running through 2025. The committees for SMCA and Local 19 worked diligently to develop fair and reasonable proposals which were ratified by both memberships. Well done and thank you to the representatives for both sides, I am looking forward to strengthening SMCA's relationship with Local 19 over the next three years. While this was going on, SMCA's Budget & Finance Committee was hard at work to ensure that the association will continue to provide the highest-quality services to our members in the new fiscal year. A special thanks to the committee members for the hard work!

Peter H. Jenkins

Have a story idea
or a project you are
proud of, email
it to info@smca.org.

Farewell President Bonitatis and Welcome President Sano



As Frank Sinatra would say, "and now the end is near". Yes, it is here. My term has ended, the last two years went very quick. We started in a COVID shut down and then went double time playing catch up. I traveled for SMCA and met many people. Philadelphia is a lot different from other parts of our great country. I am pleased with what SMCA accomplished in the last two years. I hope our members are too. I want to welcome our new President Matthew Sano and wish him well. I want to thank everyone who works at SMCA, Trish, Rebecca, Greg, Russ and of course my consigliere Pete. Also, thank you to the Board of Directors and Trustees for your support and commitment to our industry!

Respectfully, *Dominic Bonitatis III*

Hello everyone,

It is an honor to serve as President of the Sheet Metal Contractors Association once again and I would like to thank everyone for this opportunity. I hope that you will join me in the work ahead to strengthen our industry. SMCA and Local 19 ratified a new Collective Bargaining Agreement this spring, and I hope to build on that momentum this year.



Among the key issues we face is workforce development – as contractors we need to be prepared for the inevitable retirement of key employees and how to pass their knowledge and experience on to the next generation sheet metal workers and company leaders. Even more concerning can be how to plan for one's retirement as a company owner, as handing the reins over can present any number of issues for both the individuals involved and the business.

It is also no secret that supply chain issues continue to have a profound effect on the construction industry. Delays in material and equipment deliveries as well as incomplete orders continue to undermine project schedules. As a result, projects are being re-bid, postponed or even cancelled due to the unavailability of equipment and materials. Rising costs of both material and manpower add yet more

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OSHA Presents National Emphasis Program For Heat-Related Illness

Over the past couple of years, it seems that we go straight from spring into summer temperatures. I know that our contractors have noticed this drastic change each year while working on job sites. The problem with the quick temperature change is that some workers may not be prepared for the severity of the heat. By workers not fully taking these factors into account, they allow themselves the possibility to suffer from a heat hazard. With that said, to bring awareness to the severity of the situation, OSHA has instituted a National Emphasis Program (NEP) for heat-related illness.



As with many of OSHA's NEP's, the premise of these programs is to mitigate construction workers exposure to the hazard presented. In this case, the hazards are heat-related illnesses or injuries that could be fatal or very serious. Over the years OSHA has received too many complaints regarding these matters of heat-related illness, so the agency believes there is no time like the present to begin their outreach efforts to eliminate heat hazards in the work environment. The outreach program is specific to outside construction sites where workers are exposed to the oppressively hot temperatures and days where there is potential to be a heat

wave. SMCA firms are preparing their employees for the best way to combat the treacherous temperatures that are currently here.

One of the several solutions that I have advised firms to do is to purchase cooling towels. The cooling towels can be used periodically throughout the day as the heat progressively becomes dangerous. The most common option for firms is to encourage their employees to take frequent water breaks. These water breaks are essential not just for the employee who looks to be sweating profusely, but the entire crew who is on site.



We all know heat-related illness should be taken seriously. The General Foreman should always check on workers throughout the day to ensure they are staying properly hydrated and are not showing signs of any heat-related illness.

Greg Wharton, Safety & Education Director
(610) 828-4055 gwharton@smca.org

SMCA would like to welcome our newest members:



Sanks Mechanical
13451 Damar Dr Suite JK
Philadelphia, PA 19116
(215) 960-4803

Marcline Sheet Metal, Inc.
7007 Bristol Pike
Levittown, PA 19057
(215) 486-7757

2022 SMCA Engineers' Night

The 2022 SMCA Engineers' Night is heading out of the city. This year's dinner meeting will be held at The Manor House at Commonwealth on October 13, 2022.

All attendees will be given a gratis copy of the latest SMACNA System Leakage Test Standard which will be featured in a panel discussion and the impact the new manual will have on projects. The panel will consist of two engineers and two contractors. SMACNA's Executive Director of Technical Services & Research, Eli Howard, will be the moderator for the evening. **You MUST attend to receive a gratis copy of the new manual.**



What Contractors Should Know About the 179D Tax Deduction

SMCA contractors can save or defer payment of income taxes by taking advantage of Section 179 elections. These are available for fixed assets obtained in the current year and allow contractors to deduct the cost of qualifying purchases or additions – for example, a new piece of equipment for the shop. A common strategy is to make such purchases in years with high projected income. When considering what assets your company may need in the coming year, it could make sense from a tax perspective to buy those assets this year instead.



What is the 179D deduction?

By claiming a 179D deduction, taxpayers can receive up to \$1.80 per square foot when they improve energy efficiency above certain thresholds in commercial buildings. The deduction will increase each year to account for inflation. The 179D deduction was made permanent in late 2020, so SMCA contractors can generate significant tax savings for their customers in the years to come.

Who can claim the 179D deduction?

The deduction can be allocated to engineering, architectural, and construction businesses responsible for the design components of energy-efficient public buildings. Since government-owned buildings are nontaxable entities, the 179D deduction is passed on to the primary designers. The deduction is meant to incentivize designers of public buildings to use energy efficient systems and components in their construction projects. A business is considered responsible for the building's design if it creates the technical specifications for a building. Companies that install, repair, or maintain a property don't meet the definition of "designer" for 179D purposes.

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Schedule of Events

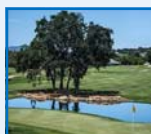
SMACNA National Convention

September 11-14, 2022
Colorado Springs, CO



SMCA Golf Outing

October 3, 2022
Bluestone Country Club



SMCA Engineers' Night Dinner Meeting

October 13, 2022
The Manor House at Commonwealth



SMCA Holiday Reception

December 2, 2022
Pen Ryn Estate



Register on the SMCA Website

<https://www.smca.org/events/>

Luthe Sheet Metal, Inc. part of housing for homeless Veterans

The landscape of the city of Philadelphia can seem rather eerie to many people due to its reputation. However, what many may fail to recognize are the strides being made to improve areas of concern such as the homelessness of our veterans. One organization that is trying to improve these efforts is called Impact Services Corporation. Impact Services Corporation has made an imprint in the Kensington neighborhood of Philadelphia for over the last two decades where they have provided housing services for vets in order to minimize those who are homeless on the street. To continue their efforts, Impact Services is currently transforming a five-story building at the corner of A Street and Indiana Avenue into 48 apartments. There will be 12 units per floor and the vets will have the option of one, two, and three bedrooms. The first floor of the building will be retail stores for the tenants. In order to make this project a success, you need successful contractors. One of the contractors awarded work on this project was SMCA's Luthe Sheet Metal, Inc.

The sheet metal firm from Cherry Hill, New Jersey has been in the industry for almost 30 years. The Impact Services project is one of many that the firm has on the books that will keep them very busy for the remainder of the year. Luthe Sheet Metal began working at the jobsite in February of this year. Joe Bobiak, who is the General Foreman, said at one point they had as many as 12 sheet metal workers on site. Joe mentioned to me while walking the site, they currently have 8 sheet metal workers working, but that may change as the building is slated to be completed in December. President and CEO of Luthe Sheet Metal, Inc., Gary Luthe Sr. said, "this building will look very nice when completed. Most importantly – our vets will have a warm and comfortable place they can call home."

Gary Luthe Sr., Joe Bobiak, and Project Manager, Gary Luthe Jr. continue to work closely with DWD Mechanical Contractor firm, and General Contractor, Clemens Construction Company on the Im-

impact Services project to ensure they are updated on any changes on site or new safety protocols that would be implemented. Gary Luthe, Jr., who has been a Project Manager for the firm for the last 4-years, has been highly involved in any change or site updates. The young leader has continued to keep safety a priority in the business as he would like to have another year where Luthe Sheet Metal, Inc. has zero recordable injuries.



Fire smoke damper installed on 2nd floor.



Austin Cale laying out supply duct in three-bedroom unit.



2nd floor exhaust risers



Luthe Sheet Metal, Inc. workers, (L-R) Joe Bobiak (General Foreman), Josh Taylor (Apprentice), Al Mardt, Mike Sullivan (Steward), Ross Gangloff, Matt Cahill, Sr. (Foreman), Austin Cale, Rich Cloke, and Dave Harris (missing).

New SMCA President

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stress to the already challenging task of completing a project on time and on budget.

When combined, the stresses of running a company can have a negative effect on our mental health. Fortunately, awareness of mental health issues has grown in recent years. High stress levels in the workplace are counter-productive for owners and employees and SMCA hopes to assist in lessening these issues, even if it's just a place to vent and blow off steam. Removing the stigma attached to mental health support is everyone's responsibility. Hopefully we can all find some time to enjoy the summer, relax and lower our stress levels. In the meantime, I look forward to working with SMCA leadership, our labor partners at Local 19, and our industry partners around the country to develop strategies and take action on these and other important issues.

Have a great summer everyone.

Respectfully, *Matthew Sano*

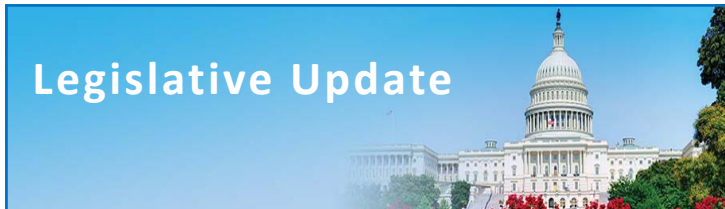
Ernest D. Menold, Inc. Hosts Local Congresswoman

In June, SMCA member firm Ernest D. Menold, Inc. was visited by Rep. Mary Gay Scanlon (D-PA) at its Lester, PA shop. The Congresswoman and her staff toured the facility to learn more about the services Ernest D. Menold provides for its pharmaceutical and utilities customers. It was a family affair, as the father & son duo of Ernie J. and Ernie P. Menold explained the company's emphasis on safety and workforce development using the Local 19 Training Center and SMCA/SMACNA educational programs. They highlighted that Local 19's JATF is accredited by the Commission of the Council on Occupational Education, and high schools can be using this fact to recruit younger people to our trade.

Following the tour, Rep. Scanlon met with the Menold's and representatives of both Local 19 and SMCA to discuss the benefits of accelerated depreciation tax laws, which allow contractors to re-invest in their businesses with equipment and machinery purchases.



Legislative Update



Federal

Davis-Bacon Reform (Finally) On the Way?

In May, the Department of Labor took public commentary on its proposed reforms to Davis-Bacon regulations. The proposed rulemaking represents the most comprehensive review of Davis-Bacon in 40 years, as the Department seeks to speed up prevailing wage updates, make the current system more efficient, and ensure that prevailing wage rates keep up with actual wages. These updates have been long sought by SMACNA and its chapters and include several regulatory changes that will benefit SMCA contractors. Proposed changes include:

- Returning to the definition of “prevailing wage” used from 1935 to 1983 to ensure that prevailing wages reflect actual wages paid to local workers.
- Routinely updating prevailing wage rates to address outdated wage determinations.
- Updating the regulatory language to better reflect modern construction practices.
- Strengthen protections and enforcement, including debarment provisions.

The Davis-Bacon Act ensures that federal funded construction projects allow responsible contractors to compete by requiring that workers on Davis-Bacon projects are paid no less than the locally prevailing wages for all hours worked in each labor classification. Contractors working on Davis-Bacon projects must pay covered workers and submit a certified payroll report on a

weekly basis to ensure that employees working on those projects are paid the proper wages for work performed. Currently, Davis-Bacon and related laws apply to roughly \$217 billion in federal construction spending each year. With the passage of the Bipartisan Infrastructure Law in 2021, federal and federally funded construction spending is only expected to increase with most projects subject to Davis-Bacon prevailing wage standards.

Delaware

State adopts Paid Family Leave Effective 2026

Delaware became the latest state to enact paid family and medical leave in May. The Healthy Delaware Families Act requires private employers with ten or more employees in Delaware to provide up to twelve weeks of paid family and medical leave beginning in January 2026, one year after payroll tax deductions to fund the program begin on January 1, 2025.

Employers with 10-24 employees in Delaware are subject to the parental leave provisions of the Act. Employers with 25 or more employees are subject to all provisions of the Act, including parental leave, medical leave, family care leave, and qualifying exigency provisions. There is an exemption for any business that is closed in its entirety for 30 consecutive days or more per year.

The amount of leave employees may take depends on the reason for the leave, but is limited to a total of 12 weeks in an application year. Employees may take covered leave on an intermittent schedule when medically necessary and supported by documentation from a health care provider.

Covered employers must provide written notice of rights and protections under the Act and display a poster at their place of business containing information in both English and Spanish. Employers violating the law’s requirements are subject to fines ranging between \$1000 and \$5000.



SMCA Golf Outing



Hold the Date! The SMCA Golf Outing will take place on October 3, 2022, at the Bluestone Country Club, in Blue Bell, PA. The Course features undulating greens, strategic bunkering, and water hazards that make the course fun yet challenging. Each hole offers a challenge to golfers of all skill levels by providing four separate tee boxes. Notices will go out later this summer.



179D Tax Deduction

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What does this mean for SMCA contractors?

Your company is likely to qualify for the 179D deduction if responsible for designing a property's technical specifications for things like a building envelope or the HVAC system. Your company also may qualify for the deduction if it has input in the design or

is obligated to participate in the design as part of its contract with the customer. For instance, contractors in a design-build contract with a government entity are more likely to qualify for the deduction than if operating only as the project manager.

How does my company claim the deduction?

Your company claims the 179D deduction by receiving a third-party study in the same tax year as when the building is put into service. The party conducting the study must be a contractor or professional engineer licensed in the state where the building is located. The study models energy performance of the building and improvements, then compares the results to a reference building meeting energy and power requirements set by ASHRAE standards. If your company meets the study's requirements, it can take the deduction in its current-year tax return. An allocation letter signed by the designer and customer will state that the building meets the requirements for the deduction.

The deduction is up to \$1.80 per square foot, adjusted for inflation. If claiming only one system (i.e. the HVAC system) in a building, your company will claim the credit at \$.60 per square foot. It can also be claimed retroactively if your company files an amended return. The deduction is reported as a line item under "other expenses" for the applicable tax year.

Other Section 179 Tax Breaks for Contractors

In addition to the 179D deduction, Section 179 of the United States Tax Code permits businesses to expense \$1,050,000. The deduction applies to equipment purchased for the year, so it must be purchased and put into use before midnight on December 31.

You can write off the amount you spend on qualified purchases, and you can't deduct more than your profit. For example, if you buy a \$50,000 piece of equipment you can deduct the entire \$50,000 from your taxable income. If your company has \$100,000 in profit, you can only deduct \$100,000.

The deduction is good until a business spends up to \$2.62 million on total equipment. After that, the deduction is reduced on a dollar-for-dollar basis.

Any purchases must be used for business purposes more than 50% of the time to qualify for the deduction. Section 179 is not affected by how your company pays for the purchase – it can be new, used, purchased, leased, or financed.

Section 179 can be used every year. The 179 deduction is taken before Bonus Depreciation. Businesses with a net loss in a given tax year can carry the Bonus Depreciation forward to a future tax year.

Qualifying Equipment

Machines, etc. purchased for the company

Tangible personal property used in business

Work vehicles (i.e. trucks) weighing more than 6,000 pounds

Computers

"off-the-shelf" business software

Office furniture

Office equipment

Property attached to your building that is not a structural component of the building

Certain building improvements (fire suppression, security alarms, HVAC, roofing)



SMCA reminds you to always ask your accountant or tax professional for the final say on any Section 179 purchases.

SMCA Returned to Lehigh Valley Sporting Clays

On May 20, SMCA hosted its 2022 Sporting Clays Outing at Lehigh Valley Sporting Clays. This year, SMCA participants took on 17 challenging shooting stations, cleverly etched into an abandoned 1800s cement quarry. Contractors, Suppliers, and their guests had great fun. **SMCA congratulates the winners and thanks our gracious sponsors of the event!**

2022 SMCA Sporting Clays Winners

- 1st Place Scott Harbison (General Insulation)
- 2nd Place Aaron Hanlon (Modern Controls)
- 3rd Place Amin Kahlifa (guest Fisher Balancing)
- 4th Place Matt Sano (Fisher Balancing)
- 5th Place Jess Wahde (Modern Controls)

2022 SMCA Sporting Clays Sponsors

- Fisher Balancing Company Sponsored the Shells
- Milwaukee Sponsored the Breakfast and Awards



SMCA President
Matthew Sano

Station Sponsors

- General Insulation Company
- Hunter Mechanical, Inc.
- Optimum Performance Balancing LLC
- Susanin, Widman & Brennan, PC



SMCA Past President Dominic Bonitatis,
Ken Cappelli, Timothy Curran, & Earl Stalker.



Winners pictured Amin Kahlifa, Scott Harbison, SMCA Past President Dominic Bonitatis, SMCA President Matthew Sano, Aaron Hanlon & Jess Wehde.

Council of Chapter Representatives



SMCA joined SMACNA chapters from around the country in Charleston, SC for the June meeting of the Council of Chapter Representatives. Attendees received reports from SMACNA’s elected officials and executives, providing insight into SMACNA’s plans for growing the industry and improving communication. Updates on legislative efforts, including Davis-Bacon reform and what it means for sheet metal contractors, informed attendees of what to expect from Washington leading up to the November mid-terms.

Guest speakers discussed training opportunities in Indoor Air Quality and BIM detailing, the latest in construction technology, and best practices for industry funds and associations. The New Horizons Foundation previewed its upcoming research topics for the year as it seeks to improve contractors’ safety and efficiency on the job and in the shop.

The industry’s role in preserving the environment and “Green” initiatives was the topic of open forum discussions, as SMACNA chapters seek to promote and capitalize on reducing the carbon footprint of buildings and lead the way in clean energy.

The Council of Chapter Representatives meets in June and December each year to exchange information about programs and activities and inform the SMACNA Board of Directors about chapter needs and problems. The Council also implements SMACNA policies and programs at the chapter level throughout the year.



Spotlight:



What do you want SMCA Contractors, the engineering community and many other contacts to know about your company?

Camden Yards Steel is a family owned and operated full line carbon flat rolled steel service center and distribution company. We have deep roots in the greater Delaware Valley area. Founded in 2001 by two Philadelphia natives, Michael Amato, Sr and Alan Kanoff, CYS operates out of its headquarters in the old New York Shipbuilding facility in the South Jersey Port. This is the building where hundreds of warships were constructed and launched during WW1 and WWII efforts and more recently the USS Kitty Hawk was built.

From our headquarters and our southern plant in West Columbia, SC we sell steel coil, sheet, slit coil, and steel blanks to thousands of full truckload steel buying customers (manufacturers, OEMs, distributors, etc) up and down the eastern United States in multiple business verticals. As one of the largest private, American owned flat rolled steel service centers east of the Mississippi, we process over 200,000+ tons of flat rolled steel a year. One of our specialties is supplying the HVAC industry including products such as galvanized and galvaneal coils, slit coils, sheets, and plate. We buy mill direct from all major domestic mills and process all material in house on our own equipment.

What is your company's latest resource now available or available soon?

Camden Yards Steel is deeply committed to innovation and improving our existing processing capabilities. We invest in the best steel equipment and inventory in the market. Some of these include our heavy gauge plate stretcher level line, a brand new multi blank light gauge leveling line, a full loop style slitting line, multiple 40+ and 60+ ton cranes, and over 100,000 sq ft of climate controlled space for coated and specialty steel products to name a few. Most recently we invested heavily into new software applications, local employee training and onboarding, and a retrofit and rebuild of our light gauge line in our West Columbia, SC plant which will now allows us to offer beaded metal sheets and blanks.

Is your company involved in supplying goods for an interesting project?

CYS works with multiple SMCA members including full truckload steel purchasing distributors and mechanical shops. In one form or another, CYS galvanized, galvaneal and CR steel is part of multiple SMCA projects in the area.

Who are the main contacts that you would want listed if you are selected for this feature?

Eric Engels – Coated Metals Division Sales Manager – eengels@camdenyardssteel.com, Cell – 781-548-9315, Office – 856-342-7100, ext 112

Camden Yards Steel

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Camden, NJ 08104

www.camdenyardssteel.com