

For Members Only



A Word from the President 2019 Session Wrap-up

by Joe Gatewood
President, MEA Board of Directors



The 2019 session of the legislature concluded, and a Special session was called to finish the job that dealt with funding government and passed 10 major budget and tax bills. A big **Thank You** to Bill Strusinski for his hard work! The following is his final summary of the session:

A record number of bills was introduced this year, more than 2,700. Unfortunately for most members, the Minnesota Legislature is the only one in the country that has a divided legislature, so not too many bills actually made it to the Governor's desk. The Senate was controlled by the Republicans and the House was controlled by the Democrats—the political differences to creating good budget and tax policy was extremely difficult to accomplish.

- The “retainage bill”, was enacted and general contractors or owners will have to pay subcontractors in a timelier basis. This will reduce the total amount of the retainage that can be withheld and require the payment process to begin at the “substantial completion” phase of the project. Retainage is not warranty work and we can now hope MEA contractors will get their retainage payment within 90 days of submitting their invoice. We have fought this battle for several years and finally made great progress this year!
- The DLI successfully secured legislation that would further curtail wage theft by employers. All of the provisions were reasonable and should only require a minimum amount of paperwork for compliance. It was difficult to oppose such legislation as all of MEA's member contractors are against stealing wages from employees.
- The minimum wage bill and the sick & paid time off bill failed in conference committee, as did the statewide minimum wage increase. The Senate Republicans really dug in against these provisions in the Committee.

- The Duty to Defend bill would have eliminated the practice of a general contractor requiring a subcontractor to pay for the general's defense in a lawsuit. This bill did not pass but will be considered next session.
- The Conservation Improvement Program (CIP) will continue to make grants for energy retrofits, which is good for MEA contractors. Expansion of the CIP program to include electrification through “fuel switching” failed in the conference committee.
- There was some discussion on changing the staffing ratio for solar installations. Unfortunately, the number of persons a journey worker electrician can supervise in solar installations did not change and remains at two.
- The MN DLI supported legislation that would have required MEA contractors who do residential solar installation work to get a **Residential Remodeler Contractor License**. This would also require them to pay money into the Residential Remodeling Contractor Recovery Fund. This legislation passed the House but did not survive the conference committee. Electrical contractors doing solar installs on residences can continue to do that work within the scope of their Electrical Contractors license. This was a hard-fought battle against DLI and others and should be considered a big win for MEA!
- The tax bill will provide long-term relief by making state tax law conform to the federal tax law changes that occurred two years ago. In addition, the tax bill provides for a reduction in the statewide property tax that is collected.

The 2020 Legislative Session is scheduled to begin on February 1, 2020. In the meantime, please contact Michelle at the MEA office if you have any new ideas or public policy concerns. We are always working hard to protect your interest. As able, please support the MEA PAC.

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Clara DeRosier
Executive Director

From the Executive Director

Annual Report – 2018/2019 Timeline of Success

The annual report was distributed at the Spring Conference this past April. For those unable to attend, I wanted to highlight a few pieces throughout this publication that are noteworthy. The 90th year of MEA's existence was a great one. Our leaders and staff worked hard to ensure MEA is set up for success for the next 90 years!

A lot of time and resources continue to pour into our educational offerings. We recognize the demand for quality education and are continuing to bring that to the industry. That is how we are able to see record-breaking numbers with our 4-year apprenticeship program along with our private class revenue. Business products continue to be a leader in non-dues revenue for the association and have assisted in keeping the association profitable on the 3rd year of the code cycle.

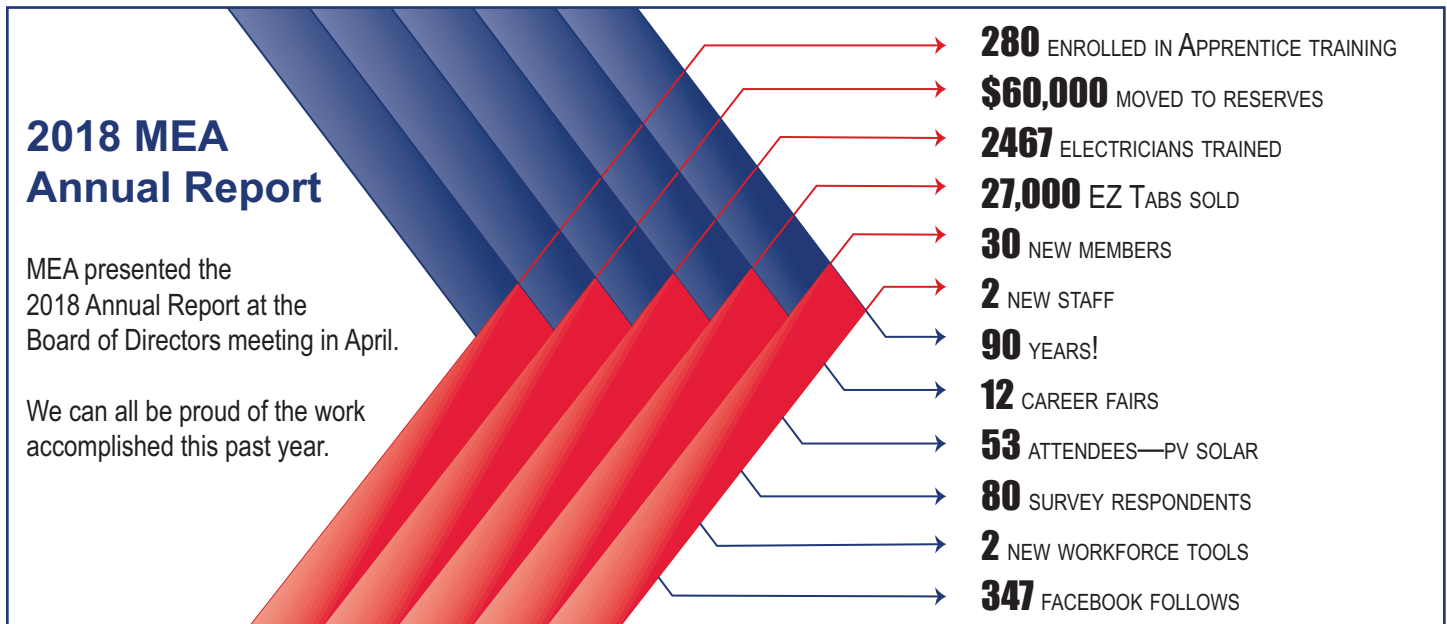
The primary area in which we need your support is membership! On average, we bring in as many new contractors into the association as we say goodbye to. Some are no longer in business, others merge or become acquired by another shop, and others just did not find the time to engage with MEA. The best way to increase our reach is with your help. If you know of a contractor who is not a member of MEA, call them and tell them about the value that you have received from the association. Then, call us! The ability to have a follow-up call from one of our staff takes the joining process one step further. Please let me know how else I can support these efforts.

As we look into 2019, the year has already started out with a bang and there is a lot more in store. Below is a list of items that have happened, are started, or are on the horizon.

January - December:

- Strategic Planning Session
- 34 classes held in Jan/Feb to facilitate Master renewals
- Legislative Hearing – MEA's Government Affairs Manager testifies at legislative hearings and continues to be instrumental at the Capitol
- Publish *All-Industry Directory* and *Wage & Benefit Report*
- Passing of the Gavel to Joe Gatewood, Gatewood Electric; and introducing Shawn Hasskamp, Dutch's Electric, to the Executive Board as Secretary
- First PLC class is held
- Workforce Development – Make & Take Helicopter kit available for purchase
- Building Committee Day – Restructured
- Marketing Audit – Redesign of messaging, brochures, flyers and marketing materials
- Technology list & budget created for repurposing content
- Pre-pub sales begin - \$3 million projected in sales
- Development of On-Demand training curriculum
- IACET Approval for MEA's Educational Offerings
- Expansion of ETN of MN (registered apprenticeship) – New companies, New apprentices
- Approval of our veteran registered and non-registered apprentices to utilize the GI Bill with Apprenticeship program
- Exploration of a 5th year for our apprenticeship program
- 2019/2020 Apprenticeship School Year begins
- 2020 Budgeting and Annual Planning
- Day-long business and educational training developed for December
- Jeff Keljik's retirement party!

It is going to be an extremely busy year, but the current leaders and staff are the perfect people to make it all happen. We appreciate all of your continued support and are here any time as your partner in success.



You Need to Know

COMPLIANCE

Minneapolis Sick Time Policy... City officials are asking businesses for their input on the city's sick time policy now that employers based outside the city will have to come into compliance. The city's Dept of Civil Rights is accepting comments through June 7. The call for comments comes nearly two weeks after the MN Court of Appeals ruled that the city's sick and safe time ordinance does not violate state law and can be enforced. The ruling also overturned a Hennepin County district court decision that protected companies based outside of Minneapolis from following the sick time rule. (www.startribune.com)

CONSTRUCTION TRENDS

US Construction Costs... Construction costs in the US rose 5.7% in 2018, according to Rider Levett Bucknall's First Quarter 2019 North American Quarterly Construction Cost Report. Cost increases included labor, materials, taxes, overhead and profit. In a construction boom period, the company said, overall cost increases are faster than that of labor and materials because the overhead and profit pieces increase in response to the higher demand. Conversely, in slumps, total costs would decrease faster than the rate of labor and materials. (www.constructiondive.com)

LABOR & MANAGEMENT

US Job Openings... increased to 7.5 million in March, according to the Bureau of Labor Statistics, an increase of 346,000 from the previous month. www.bls.gov

Compensation Costs... compensation is up 0.7% Dec 2018 to Mar 2019 and up 2.8% over the year ending Mar 2019. Compensation costs increased 0.7% for civilian workers, seasonally adjusted, from Dec 2018 to Mar 2019. Over the year, compensation rose 2.8%, with wages and salaries rising 2.9%, and benefit costs rising 2.6%. (www.bls.gov)

Voluntary Benefits... Voluntary benefits have officially crossed the threshold from add-on feature to arguably the most vital part of every benefits program. "Voluntary benefits are now the center of the benefits strategy," said Amy Hollis of Hollis Consulting, a benefits consulting firm in Atlanta. The question now isn't whether to offer these optional benefits, but which ones to put on the menu. (www.workforce.com)

SAFETY

#StandDown4Safety... OSHA Acting Assistant Secretary Loren Sweatt spoke to more than 1,600 workers about worker safety during the kickoff for the sixth annual Stand-Down to Prevent Falls in Construction. Millions of workers participated throughout the week and learned about the importance of preventing fall hazards every day – not just during the stand-down. (MN OSHA)

REBATES

MPCA Grant to Replace Diesel Trucks... The Minnesota Pollution Control Agency (MPCA) has announced \$3.7 million in grant funding, available to owners of older (1992-2009) Class 4-8 diesel trucks. Funds will cover 25% or \$40,000 (whichever is less) toward a replacement vehicle. Applications are due no later than **July 9**. Details and the online application are available here: <http://tiny.cc/eaf46y>. A webinar was recorded and posted online for those unable to participate in person. (www.agcmn.com)

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by Dean Hunter
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Sept 27-28 Shakopee at Canterbury Park NEC 2017 Grounding & Bonding Pts 1-4; Overcurrent Protection Pts 1-2; Motor Installation Pts 1-2. Chad Kurdi, Trainer.

Online 2 Cont Ed Credits—Approved by MN, WI, SD, NE, IA, WY.

June 19 (8:00AM-10:00AM) NEC 2017 Branch Circuit, Feeder & Service Calculations. Tim Zinniel, Trainer.

July 16 (6:30PM-8:30PM) NEC 2017 Overcurrent Protection, Pt 1. Jeff Kunkel, Trainer.

July 30 (8:00AM-10:00AM) NEC 2017 Branch Circuit, Feeder & Service Calculations. Tim Zinniel, Trainer.

EXAM PREP COURSE

June 8-9 Edina at Federated Insurance. Chad Kurdi, Trainer.

Aug 3-4 Edina at Federated Insurance. Chad Kurdi, Trainer.

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SAFETY TRAINING

June 20 Online (8:00AM-NOON) NFPA 70E. (Not available for CE credits.)



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