



NERCANEWS

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NYC Council Passes Green Roof Law

On April 22nd, the New York City Council approved the Climate Mobilization Act. This package of bills and resolutions is designed to increase energy efficiency in the city by improving the efficiency of buildings.

One of the key components of improving efficiency and environmentalism is to require all new residential and commercial buildings or those undergoing extensive renovations to install “green roofs”. This definition includes vegetative roofs, solar installations, and/or mini wind turbines to offset power usage. Other municipalities like Toronto, San Francisco, Denver, and Portland have already adopted similar measures.

Council Member Rafael Espinal explained, “[Vegetative roofs] cool down cities by mitigating the urban heat island effect, cut energy costs, absorb air pollution, reduce stormwater runoff, promote biodiversity, provide soundproofing, and make our cities more livable for all.” Already some institutions took the lead including the Barclay’s Center, the Javits Center (below), and the USPS Morgan Processing and Distribution Center.



Also, just in time, [NRCA released a 3rd Edition of their Vegetative Roof Systems Manual.](#)

Amid Trade Wars and Economic Instability, Materials Costs Increasing

Recently, as trade talks broke down, the public was reminded of the impact President Trump’s Trade War with China can have on the stock market. However, contractors can attest to the impact that tariffs have had on everything from the basics like nails and screws to the advanced products like solar panels.

The Trump Administration published a list of 5,475 Chinese goods to be assessed a 25% tariff entering the US. Of these 5,475 items, 450 of them are commonly used in construction. In fact, the National Association of Home Builders (NAHB) estimated that, nationwide, the Trump Administration’s 25% tariff would cost the residential construction industry roughly \$1 billion which would have to be passed onto consumers.

As a result, the construction market has seen significant price increases year over year up about 6% nationwide according to the [Thompson Research Group](#). However, roofers have been slow to adjust. Despite a 7.5% increase in pricing for roofing products, the AGC reported that the Producer Price Index (PPI) measuring trends in bid costs of contractors, only increased by 2.3% for roofing contractors.

Meanwhile, specialty work like rooftop solar has been especially hard hit by the tariffs. A 30% tariff on solar panels from China has limited the industry which has grown dramatically over the last few years. According to the NRCA, [after hitting 1 million solar rooftops 3 years ago, the industry is now up to 2 million](#). This growth is due in large part to the low cost of Chinese solar panels and government incentives and regulations promoting their adoption. Despite this past growth, the tariffs and resulting price increase resulted in a 7.5% decline in solar installer jobs.

MA Paid Family & Medical Leave Law

The Executive Office of Labor and Workforce Development (EOLWD) has released a [final draft regulations](#) covering the new [Department of Family & Medical Leave \(DFML\)](#).

As a little background, starting Jan. 2021 the MA Paid Family & Medical Leave Law provides for the following:

- 20 weeks personal medical leave (i.e. in-patient care, ongoing treatment, maternity leave etc.
- 12 weeks family leave (i.e. paternity leave, caring for a sick family member, etc.)
- 26 weeks total annual combined leave or for servicemember leave (i.e. prior to active duty, for ongoing care if injured)

During leave, the employee will be entitled to wage replacement paid from a fund administered by DFML. There is a formula to determine the percentage of your normal wages that will be paid in replacement with a cap of \$850 maximum wage replacement.

Beginning July 1, 2019, DFML will begin collecting the money through a payroll tax of 0.63%. For employers with 25+ employees, this contribution will be split 0.312% paid by employers and 0.318% by employees. For employers with less than 25 employees the contribution will be 100% paid for by the employee.

There are very specific rules for determining the employee workforce count. These rules are complicated if you have self-employed workers (i.e. anyone receiving a 1099-MISC). Basically, you have to look at your payroll data from the entire year prior to determine AVERAGE WORKFORCE as follows:

1. For each pay period, add up the number of 1099-MISC employees
2. Do the same for all W-2 employees (including temporary and seasonal workers).
 - a. If you have no 1099-MISC employees, take total number of W-2 workers divided by number of pay periods for your average workforce number
 - b. If you have 1099-MISC employees and they constitute 50% of your total workforce then you must include all 1099-MISC employees in your average count. If they are less than 50% then only your W-2 employees will count towards your average workforce.

In addition, the employer will be responsible for maintaining benefit coverage for their employees on leave. The law explicitly states that employers must continue to contribute to employee's health insurance.

MA Paid Family & Medical Leave (cont.)

If you are concerned about the program highlighted in the opposite column, you are not alone. This program will impact your business and is causing confusion among employers across all industries.

So what do you have to do to prepare?

1. Calculate your average workforce to determine split of contributions.
2. Register your business through [MassTaxConnect](#) to remit payroll deductions
3. Contact your payroll company regarding the required payroll deductions. Any Massachusetts employer or business with services rendered in the state are required to deduct the 0.63% from gross wages. Deductions begin July 1st and remittances are required on October 31st.
4. Complete required employee notification and acknowledgement by June 30th. All employers are required to display a poster in a highly visible area of their workplace, provide written notice of the payroll contributions, benefits, and workforce protections to all employees, and collect a signed acknowledgement of receipt of this notice from their employees.
 - a. [W2 Employee Notice](#)
 - b. [1099-MISC Employee Notice](#)
 - c. [Mandatory Workplace Poster](#)
5. Plan to include the following information in your reports for all employees (including 1099-MISC)
 - a. Name, Social Security number, Wages paid or other payments for services
6. Prepare to respond to information requests from DFML. Employers must produce:
 - a. Earnings info for the past 12 months;
 - b. Description of the employee's position including schedule and full or part time;
 - c. Weekly hours worked;
 - d. Prior requests for a leave;
 - e. Amount of paid leave already taken during the current benefit year;
 - f. Description of employer leave policy and if/when the employee received paid leave during the current benefit year
 - g. Whether the covered individual has applied for concurrent FMLA or other leave and whether the employer has approved the application;
 - h. Any other relevant information related to the claim, including any evidence of a potentially fraudulent claim.

DOL Scaling Back Obama Era Overtime Rule Expansion

In 2014, the Obama Administration proposed doubling the threshold for the salary an employer must offer to exempt them from paying overtime.

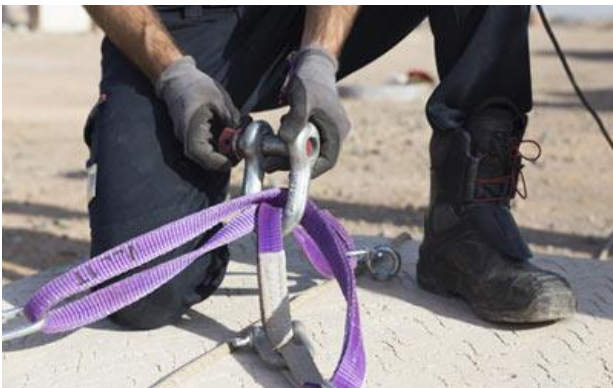


Currently the rule is that if an employee earns \$23,000 in wages then their employer is not required to offer overtime pay. Under Obama that threshold would have been raised to \$47,000. They argued that with inflation, the original \$8,060 in 1975 was more than the \$23,000 in today's dollars.

Now, DOL is saying that the threshold will be set at \$35,308. Employees earning more than this or employees in certain executive, administrative, or outside sales positions will be exempted from overtime.

Rigging and Signaling Tool Box Talk

With taller and taller building, the ability to safely lift and hoist building materials to them becomes increasingly important.



Safety consultant, Contractors Risk Management (CRM), has provided a Tool Box Talk for our members who wish to lead the discussion themselves. You can [download the document here](#).

DOE offers \$33.5 million for energy-efficient construction technology

The Department of Energy is offering \$33.5 million of grant money in new construction technology and advanced building techniques with an intent to reduce energy usage in commercial and residential buildings.

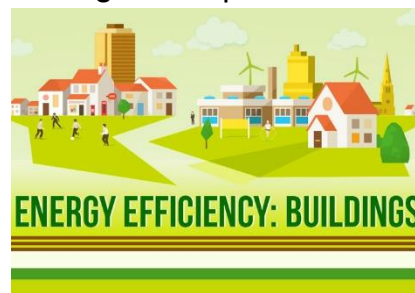


The DOE seeks solutions that will allow energy efficiencies after building retrofits, with goals that include a 75% reduction in major loads from HVAC systems. It also seeks construction technologies to help new buildings achieve a 50% increase in energy efficiency through techniques such as offsite manufacturing, robotics, digitization, automation and improved modeling.

The DOE's mission is to help address energy challenges in the U.S. through science and technology. The agency reports commercial buildings use 20% of the U.S.' power, and it has long been working to achieve maximum energy efficiency.

DOE supports whole building design—an integrated approach to design and construction that leads to various elements of the building working together to save energy. Some construction considerations include creating high-performance building envelopes; using landscaping for shading; and using a passive solar approach—placing certain sizes and types of windows in specific locations.

Features of buildings using passive house design concepts include optimization of solar gain; an airtight building envelope; moisture and thermal control through using enough insulation to eliminate thermal bridging; triple-glazed, high-performance windows; and heat-recovery ventilation.



LEGISLATIVE CORNER

NATION:

A group of House Armed Services Committee (HASC) Democrats released a bill that would limit the amount of military construction funds the Pentagon is allowed to transfer between accounts after the Defense Department shifted \$2.5 billion for President Trump's proposed border wall. In addition to a spending cap, the bill would only allow money that cannot be spent for its intended purpose to be used for an emergency and would require additional information be provided to Congress when it is notified of the transfer. The bill would also delay the start of construction until after a waiting period following congressional notification.

CONNECTICUT:

The debate over electronic tolls continues to rage as the Lamont administration wants to install new tolls on interstates 84, 91, 95 and the Merritt Parkway that would charge motorists 4.4 cents per mile and raise \$800 million for the state budget by 2024. About 40% of the toll fees would be paid by out-of-state travelers while the rest would come from Connecticut drivers, although in-state motorists would receive a discount. Meanwhile opponents delivered a petition with over 100,000 signatures in an effort to block the tolls.

MAINE:

Despite Gov. Janet Mills support for a Central Maine Power hydropower transmission corridor, which would raise \$250 million for the state, Democratic Lawmakers are supporting a bill which would order further study of the issue. The bill would mandate an independent net carbon emissions impact study of the proposed 145-mile transmission line to send Hydro-Quebec power from Canada to Massachusetts. It earned more than two-thirds majority from senators, who endorsed it 30-4.

MASSACHUSETTS:

[HB192](#)- An Act relative to sheet metal work, was reported favorably out of the House Committee on Consumer Protection and Licensure. The bill would create an exclusion from Sheet Metal Licensing Laws for pre-engineered or pre-fabricated metal buildings including roof systems, standing seam roofs, rib roofs, and sidewall systems.

NEW HAMPSHIRE:

SB 1, "relative to family and medical leave," establishes a statewide system of paid family and medical leave insurance. The Senate had earlier passed the bill by a vote of 13 to 10. The House Labor, Industrial, and Rehabilitative Services Committee voted 12 to 7 recommending passage. Participating employers would remit insurance premium payments equal to 0.5 percent of wages (an average of \$5 per week) into the Family and Medical Leave Insurance Fund and be authorized as a payroll deduction." The House approved passage 219 to 142.



NEW JERSEY:

New Jersey property taxpayers could benefit from several bills moving through the Legislature, including one that would increase aid to municipalities for the first time in more than a decade. The Senate Community and Urban Affairs Committee advanced 3 measures meant to blunt local tax increases or, in one case, reduce property taxes. Two of the three measures are contentious for different reasons. But the committee unanimously supported a measure despite the fact that it would cost the state as much as \$331 million a year in additional state aid payments.

NEW YORK:

Gov. Cuomo's effort to expand prevailing wage requirements is facing opposition in the state Senate. Most Democrats support it and even some Republicans have signed on to the legislation. Yet the bill still lacks the support it needs to pass the Senate. Some critics say people of color would not receive a fair share of the benefits brought by expanding the prevailing wage. Civil rights activists question whether the bill would really raise pay for nonunion labor as much as its supporters say it would. Others say it might impede affordable housing and economic development. Business groups in particular are pushing hard to limit the proposed changes, which they say could increase costs and deter development.

PENNSYLVANIA:

Pennsylvania lawmakers are considering a bill to end the 100 year old practice of splitting state building contracts into separate packages by trade. The Separations Act was passed in 1913, but HB 163 would allow for alternative construction models including Design Bid Build, CM at Risk, and Design Build. Recently, local school districts have been seeking exemptions from the Separations Act to pursue these alternative methods of project delivery.

RHODE ISLAND:

With the Pawtucket Red Sox set to move to Worcester after the 2020 season, six proposals have been submitted for the reuse of McCoy Stadium and the surrounding area. The Rhode Island Commerce Corporation and city of Pawtucket jointly announced they received the proposals which include two for soccer stadiums, two for baseball uses and two music and family entertainment venues.

VERMONT:

H.543, a \$123.2 million capital bill was approved by the Senate. The bill makes many allocations for projects including \$4.5 million to begin building a replacement for the Middlesex Therapeutic Community Residence. \$10.5 million over two years to repair a parking garage under the Zampieri State Office Building in Burlington. In addition, the bill lays out a roadmap for state spending on capital projects over two fiscal years – 2020 and 2021.