



Subcontractors Association of the Metroplex

PUNCH LIST

The voice of the Subcontractor's Industry



Subbie Sam Says

Are you running your employees or are they running you. Know your rights, then do the right thing for your company and your employees.

Knowing your obligations as an employer is key to operating a successful business.

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Hot Air Blog - Legislature Continues in a Flurry

As reported in last month's Punchlist, the Texas Legislature is hard at work with lots of bills being filed! We reported on several bills of interest to trade contractors, and since then, quite a few more have popped up. Newly-filed bills of interest include:

SB907 – EMPLOYER REPORT OF WORKERS COMPENSATION STATUS.

Rodney Ellis files this bill, which requires that any employer which does not provide workers' compensation coverage must file, each year, a very detailed report of accidents, illnesses and injuries for the preceding year. One presumes this bill is intended to (1) create a bit of pressure to persuade comp be provided, and (2) allow gathering of information regarding the relative costs to businesses for providing comp, versus remaining non-subscribers. This one has been referred to the State Affairs Committee, no hearings yet. Could be interesting...

HB1925 – Worker Misclassification.

This bill, filed by Representative John Davis, is a companion to the bill filed by John Carona in the Senate, and is intended to help remedy the pervasive problem of workers who might properly be employees being treated as "independent Contractors," thus giving an unfair cost benefit to some contractors. This initiative has a good shot. It has been referred to the Economic and small Business Development Committee.

HB1977 – Construction Managers / Government Contrac-

tors. Rep. John Kuempel's bill is intended to deal with the often-controversial practice of governmental entities (counties, cities, school districts, etc.) performing work for others, as general contractors. Many believe that a public agency should not compete in the private sector this way, because of inherent cost and liability advantages they have. This one has been referred to Government Efficiency and Reform.

HB1987 – Payroll Taxes Paid to PEO / Staff Leasing Entities.

Representative Charles Perry's bill calls on licensed Staff Leasing Companies to pay all unemployment taxes collected to the state, and to calculate these taxes based upon the experience rating of the client company. It also (importantly) provides some protection for an employer which uses a staff leasing company which fails to pay through to the state, taxes collected from employers. This one is referred to the Economic and Small Business Development committee.

HB2015 – Worker Misclassification on State Work.

Another product of Rep. John Davis, this bill addresses worker misclassification on state jobs, and provides for penalties for employers which violate the standards set out by the hiring state agency. This one is referred to the Economic and Small Business Development Committee.

HB2180 – Notice of Lender Default.

Cecil Bell's bill is a companion to Senator Bob Deuell's SB295, and provides for valuable notice to contractors if a lender to

a project owner is in default of its obligations. The construction team is given the right to suspend work, without being in default of contractual obligations. This one should have legs, but watch for banks to squeal! It has not been referred to a committee, yet.

Hope for its passage, either in the House or the Senate!

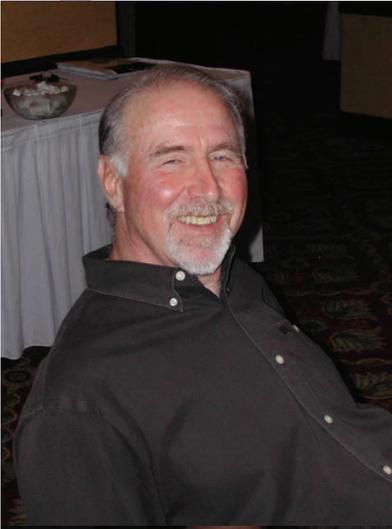
SAM Members can refer to last month's Punchlist for a review of prior-filed bills, and if any member action is required SAM will "blast" its members!

Also, a reminder: be sure you support this important initiative!

MARGIN TAX REPEAL -

Senator Craig Estes file Senate Bill 113, which calls for the complete repeal of the much-hated margin tax. This bill has been referred to the Senate Finance Committee, and we should all hope for its passage!

SAM General Counsel Spike Cutler is Principal of SAM Member Firm, Cutler-Smith, P.C., law firm dedicated to serving the construction industry in Texas, and keeping tabs on legislation of interest to commercial construction contractors is an important part of this service. Cutler-Smith will be keeping SAM members up-to-date on the status of construction-related bills, and may well be asking SAM members to contact their legislators with expressions of support for good bills, or expressions of concern about bad ones. Your continued communication with your legislators is key to continue legislative success.



TEXAS CONSTRUCTION ASSOCIATION

We were fortunate to have Jeff Webb, vice-president of the Texas Construction Association present our February program.

SAM keeps you posted on the State and Federal Legislatures, but does not have a lobbyist. The Texas Construction Association does both.

They proved to be very effective in the last legislature and their efforts made a difference in your wallets. They achieved significant changes in the Texas Lien Law, and performed a miracle by getting a law passed that saved us from the broad form hold harmless clauses that General

Contractors attempted to force us to sign.

They now have the respect of our legislators, and have an aggressive agenda to help us Subcontractors in the current legislature.

LIEN AND BOND CLAIM SEMINAR



Chapter Attorney, Spike Cutler will lead us through the ins and outs of the best way to get what money is owed us through the lien and bond process in Texas at our April Seminar. The Texas laws are getting more Subcontractor friendly, and the lien laws are really a great tool to

help us get paid. The bond laws are a guarantee that we'll get paid, if we do our homework properly. SAMS seminars are as good as they come, and at the best price we've seen. It's just \$75 for member firms, and \$150 for non-members, and you can send as many from your comp-

any as you like. Just add \$20 each for each additional set of printed material that you need.

Chapter Attorney, Spike Cutler also represents us at the attorney's council of the National Subcontractors Alliance.

UPCOMING MEETINGS

SAM has found that if we have meetings of substance that meet the needs of our members, we get more of you to the meetings, and you bring your friends to join us. We will try to continue to bring you programs of value on the future.

The Session will be close to coming to an end, and there will be a number of issues that affect our businesses. We'll hear about the issues in time to respond to them, as opposed to hearing about what we have to comply with.

In June, Mike Mehno will return to bring us the new construction forecast from McGraw Hill. This is a very popular meeting.

The First Thursday in July falls on the Fourth, so July will be SAM's Summer Vacation.

In August, SAM will bring you up to date on a look into the very near future with a program on BIM (Building Information Management). This computerized cross-referencing of designs and plans is already here, and it's here to stay. Subs need to know how to prepare for this.



Laura Locke of the Independent Insurance Group will be one of our presenters in March.

Top—Jeff Webb of the Texas Construction Association

Bottom— Brad Gross of Lane Gorman Trubitt



Carrie Edomm of Astro Sheet Metal



.As a member of SAM, you are also a member of the National Subcontractors Alliance.

TOP 10 MYTHS EVERY EMPLOYER SHOULD KNOW

There are 10 myths (+one bonus) widely believed by many employers. However, according to FLSA (Fair Labor Standards Act) **none of the following myths are true!**

Myth #1-Employees must be paid for overtime for more than 8 hours a day or weekend or holiday work.

Fact: For covered, nonexempt employees, the FLSA requires overtime pay at a rate of not less than 1 1/2 times an employee's regular rate of pay after 40 hours for work in a workweek. Some states do have such laws. There are some exceptions to the 40 hours per week standard: employees of hospitals, nursing homes, police officers, and fire fighters.

Myth #2- An employer can't change an employee's scheduled hours of work without giving notice.

Fact: The FLSA has no provisions regarding the scheduling of employees and employers may change an employees work hours without giving prior notice or obtaining the employee's consent.

Myth #3- There is a limit on how many hours a person can work.

Fact: The FLSA does not limit the number of hours per day or per week that employees aged 16 years of age and older can be required to

work.

Myth #4- Part-Timers are not covered by FLSA.

Fact: The FLSA does not define full-time employment or part-time employment. This is a matter generally to be determined by the employer. Whether an employee is considered full-time or part-time does not change the application of the FLSA.

Myth #5- Employees get extra pay for working nights and weekends.

Fact: The FLSA does not require extra pay for weekend or night work. The only FLSA extra pay requirement is that covered, nonexempt workers be paid not less than time and one one-half the employee's regular rate for time worked over 40 hours in a workweek.

Myth # 6- Employers are required to offer minimum vacation and holiday pay.

Fact: The FLSA does not require payment for time not actually worked, so periods of time such as vacations, sick leave, or holidays (Federal or otherwise) do not have to be paid.

Myth #7- Employees are due a severance payment at termination.

Fact: There is no requirement in the FLSA for severance pay.

Myth #8- All employees get morn-

ing and afternoon breaks and a minimum of 30 minutes for lunch.

Fact: The FLSA does not require breaks or meal periods for workers. Some states do have requirements for breaks or meal periods. However, if you do give your employee breaks of 5 to 20 minutes, the time must be counted as hours worked and therefore paid time. Furthermore, all employers covered by the FLSA must comply with the Act's break time for nursing mothers to express breast milk for one year after the child's birth.

Myth #9- Employees are due an annual pay increase.

Fact: The only pay raise required by the FLSA is to raise pay up to the Federal minimum wage.

Myth #10- Employees are due periodic performance evaluations.

Fact: The FLSA does not require performance evaluations.

Myth #11- Double time is due for Holiday work.

Fact: The FLSA has no requirements for double time pay.

Reference; *The Dirty Dozen Widely-Believed Myths of Wage/Hour*, HR Daily: SHRM.org

Furnished by DiAnn Sanchez of DAS HR Consulting



Don Weempe of Master Construction



New visitor, Claudia Ronznai of Armor Wealth

TECHNICAL TRADE SCHOOL TO BE BUILT

The Urban League of Greater Dallas and North Central Texas is building a 50,000 square-foot Trades/ Technical Skills Training Center as part of the larger Lancaster Redevelopment Project. The center will train the workforce for the jobs of the future by offering pre-apprenticeship and certification training in the trades and technical areas. Urban League's Trades/Technical Skills Training Center will provide training in Fields such as: Mechanical, electrical and plumbing systems, Basic CADD Drafting, A+, Network+ and other computer certifications, construction materials, methods and equipment, occupational Safety, masonry, carpentry, roofing, weld-

ing, green jobs training, and other areas of training as identified based on demand and recommendations from The Center's Industry Council. The Urban League welcomes your participation in this project. The \$12 million dollar Technical Training Center will provide up to 800 skilled workers per year.

For information, please contact Angela Johnson at (972) 841-3115 or Denise Huginnie at (972) 890-3764.

SAM sees this as good for our industry and will keep you informed.



President James Mayhew of Apex Services and Ian Buchanan of The Interface Financial Group share the Prestige



Subcontractors Association of the Metroplex



Pete Snider, Executive Director
1420 Hubbard Drive
Forney, TX 75126

Phone: (972) 771-0188
Cell: (214) 908-9248
E-mail: execdir@sam-dfw.org



The Subcontractors Association of the Metroplex was founded with the purpose of creating an affordable forum for Subcontractors to exchange information and learn from each other how to be better business men or women.

Sam is a member of the National Subcontractors Alliance, the largest Subcontractors association in the USA, and also a member of the Association of Specialty Contractors where we have a voice in National Legislation.

Sam is also allied with the National Federation of Independent Business who has a voice in the Texas Legislature on small business issues.

**Your Source for Subcontractor's
information.**



**Visit us at:
<http://www.sam-dfw.org>**



Our Association Officers

President and B.P.I. Chair:

**James Mayhew,
Apex Services, Inc.**

jmayhew@apexservicesinc.net

Treasurer:

**Kay Schultz
Baker Triangle**

kschultz@bakertriangle.com

Member:

**Eric Lindberg
PCI Construction**

ericl@pciconstruction.com

Member:

**Tim McSorley
Storage Equipment**

tmcsorley@secdfw.com

Associate Representative:

**Clem Lesch
PCL Contract Bonds**

clesch@pclbonds.com

Legal Counsel:

**Spike Cutler
Cutler-Smith, PC**

scutler@cutler-smith.com

If you're not a member of SAM,
you should be.

Call Pete Snider for a membership application.

(972) 771-0188

Cell (214) 908-9248



**SUBCONTRACTORS—
THE ONES WHO
REALLY BUILD THE
BUILDING**