



# THE WIRE



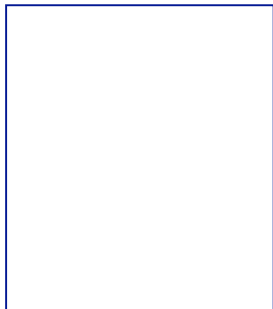
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## Message from the President

By Neil C. Vitale, P.E.



Our bleak winter is giving way, slowly, to what we hope will be a balmy, and busy, spring. Here in New Jersey, we desperately seek to shore up our Taft-Hartley Funds, and our firms' bottom lines, it is more critical than ever that we find ways to put more IBEW members to work. While the State of New Jersey and its constituent private sector economy face the most serious

crisis in our lifetimes, I cannot help but feel that everyone is just rearranging the deck chairs on the Titanic. While it is true that we do have a serious sinking feeling, I am not addressing the seating arrangements aboard a doomed liner. Instead, I am talking about the fact that everyone seems to talk a big game about shared sacrifice and the fundamental changes we all need to accept in order to turn things around while the actions accompanying the rhetoric turn out to be more of the same half-measures. Instead of pitching in, everyone is chiefly concerned with protecting their own interests, selfish and delusional as they may be, while pushing the painful changes on someone, anyone, else. I, for one, can attest to the fact that the proverbial pencil that I along with my fellow contractors are told to sharpen on our bids is worn down to the nub!

Unfortunately, this is not our fathers' industry. While memories tend to be conveniently idyllic, it is hard to argue with the sentiment behind that lament. For starters, the nature of our

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## New Administration Brings Fresh Opportunities, Challenges

Promising a no-nonsense approach to governance and an end to "business as usual," Governor Chris Christie and his administration swept into the State Capitol shaking up the state government with significant changes. Aside from the hard line he is taking on budgetary matters, the most visible of the changes involve the new faces in senior governmental positions. With so many new policy leaders in Trenton, it is incumbent upon interest groups to develop and maintain strong relationships with the new decision makers who will be determining the administration's stance on a wide range of issues impacting the business community.

As has become customary, NECA representatives are at the forefront of the myriad organizations working aggressively to make sure these new governmental leaders are fully aware of the important impact union electrical and V-D-V contractors, of which the association is comprised, have on the economy and quality of life in our state. With so many key officials facing a steep learning curve in an extraordinarily difficult budget environment, NECA is already working diligently to provide these policy czars with a base of knowledge about those issues that are most critical to its Members. Among the key officials with whom NECA has been working to address key industry issues include Marc Larkins, new CEO of the Schools Development Authority, Jim Simpson, Commissioner of the Department of Transportation, Acting Commissioner of Labor Harold Wirths, Acting Department of Community Affairs Commissioner Lori Grifa, and DEP Commissioner Robert Martin.

Governor Christie has already taken extraordinary actions regarding New Jersey's budget crisis, including across the board cuts to virtually every department and the veto of authority minutes which included expenditures that the Governor did not consider prudent. In fact, due to cost concerns with certain engineering contracts, the Governor vetoed NJ Turnpike Authority minutes for the first time in more than 15 years. The Governor has also taken some very aggressive steps towards reining in what he considers to be unsustainable public employee compensation, benefits, and retirement programs.

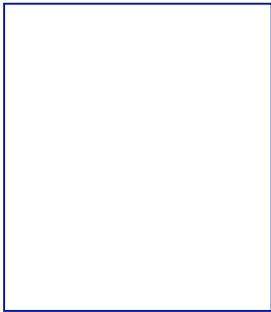
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# Executive Director's Report

Roger Simonds



In January at the NECA District One Council Meeting, I had the opportunity to ask IBEW District Three Vice President, Don Siegel about the forthcoming New Jersey statewide Small Work Agreement. Indeed I was assured that the finishing touches were being put on this new vehicle meant to help us

pursue electrical construction work previously out of our range: both price and jurisdiction wise. While I was told that our contractors would be very pleased with the end product, I questioned its viability due to the fact that the Chapter and its representatives had no input on the process. You will recall that President Vitale appointed Cheryl Adelung to chair an ad hoc committee dealing with overall competitiveness in the electrical market. Ms. Adelung held a series of meetings with her committee and employed the services of Dr. Perry Daneshgari, who has been working with the Chapter to determine our market share. The goal was to best identify our challenges and go forward with the IBEW to improve the union employment presence on construction projects of all sizes. A number of fine ideas were spawned by the committee. We then met with the Business Managers of each local to discuss these ideas and determine how they might be implemented through a Small Work Agreement. This is where our committee members were first informed that Vice President Siegel and all six New Jersey Business Managers were already working on a new agreement. While I certainly applaud the Vice President and the Business Managers for their

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collective efforts, I do wish our committee could have had a greater impact on the process and the, yet to be seen, final result. However, I suspect this new agreement will be announced in the near future and the Chapter leaders will work with the Business Managers to present it in an appropriate forum.

Problems persist with L.U. #102 in determining the definition of Gross Labor Payroll (GLP) and the crafting of an "Alumni Agreement." This argument is still to be litigated and at the time of this article, no date has been established for that hearing. What is at stake is the determination of what income is subject to the payment of assessments for benefits. Previously, the Local 102 Funds collected assessments only on wages paid at whatever classification (i.e.- apprentice, Journeyman, Foreman, etc.) at which an individual was employed. Now, in a radical change of heart, the Local wants contributions on all of the income an individual receives. Unfortunately, this is shaping up as a classic example of winning a battle at the expense of losing the war. If the court rules that the GLP is defined as demanded by the leadership of Local 102, it may ultimately prove costly to IBEW-referred electricians because signatory contractors may choose not to continue paying generous bonuses, over-scale wages, vacation and sick pay or any other financial rewards not otherwise mandated by the Agreement. However, we'll keep you abreast of any developments.

We will once again commence negotiations for the New Jersey Telecommunications Addendum. The two IBEW locals in southern New Jersey (269 and 351) have determined that they do not want to continue to be a part of the current statewide agreement. This Chapter has always believed that having all six locals included under one agreement, with uniform terms and conditions including total jurisdiction within the state, is best for all. Again, as negotiations progress, we will report all new developments.

Finally, let me end on a very nice note. On March 8<sup>th</sup> I received a letter from Bill Margareta, President of the New Jersey State Safety Council informing me that our Chapter has been selected to receive its prestigious **Beacon of Safety Award** for "Outstanding and Continuous Achievement in Safety and demonstrating that Safety and Health are values at the core of your organization". Many years ago, John Murphy was instrumental in having this Chapter get involved in the New Jersey Safety Council and subsequently become one of the first Chapters to form a successful safety "Partnership" with OSHA and the IBEW. Those endeavors have paid off handsomely. Just beyond the Pearly Gates...John is smiling!

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### Executive Committee

President ..... Neil C. Vitale, P.E.  
Vice President ..... Ernest Badaracco, III  
Treasurer ..... Joseph A. Lacerenza  
Secretary ..... Cheryl Adelung

### Chapter Staff

Executive Director ..... Roger Simonds  
Asst. Executive Director ... Eric J. Sivertsen  
Administrative Assistant ... Monica Margaritis  
Bookkeeper ..... Jean Tenpenny  
Support Staff ..... Claudia Alzate

# NECA Calendar

## APRIL

- 4/6 TRUSTEES SEMINAR**  
(CROWNE PLAZA, CLARK)
- 4/11-14 EASTERN REGIONAL MEMBERSHIP MEETING (SCOTTSDALE, AZ)**
- 4/29 EXECUTIVE COMMITTEE/BOARD OF DIRECTORS**  
PLACE: CHAPTER OFFICE (MOUNTAINSIDE)  
TIME: EXECUTIVE COMMITTEE 2:00 PM  
BOARD OF DIRECTORS 4:00 PM
- 4/29 CHAPTER DINNER MEETING WITH NJ SUBCONTRACTORS ASSOC.**  
PLACE: WOODBRIDGE HILTON (AT METRO PARK)  
TIME: 6:00 PM COCKTAILS  
7:00 PM DINNER/PROGRAM

## MAY

- 5/12 HIGHLANDS DIVISION**  
PLACE: BASKING RIDGE CC (BASKING RIDGE)  
TIME: 12:00 NOON
- 5/13 HUDSON-BERGEN-ESSEX DIVISION**  
PLACE: SANZARI'S (NEW MILFORD)  
TIME: 12:00 NOON
- 5/14 MIDDLESEX DIVISION**  
PLACE: GIRASOLE (BOUND BROOK)  
TIME: 12:00 NOON
- 5/18 MONMOUTH-OCEAN DIVISION**  
PLACE: COLTS NECK INN (COLTS NECK)  
TIME: 5:30 PM
- 5/20 VDV DIVISION**  
PLACE: CHAPTER OFFICE (MOUNTAINSIDE)  
TIME: 12:00 NOON
- 5/31 HOLIDAY (MEMORIAL DAY)**

(Continued from Page 1, **President**)

competition has changed. Driven by the scarce dollars available in our customary industry sectors, contractors have “sharpened their pencils” to the point where we are practically giving our services away. Today’s customers are more budget conscious, less construction savvy and more comfortable with accounting spreadsheets and legalese than those we have worked for in the past. Whereas deals were once closed with a handshake between individuals who banked on solid reputations, contractors often get stiff-armed by teams of lawyers pushing ever more restrictive and punishing contract language upon them. And unlike the past, we are reluctantly knuckling under to even more outrageous demands lest one of our colleagues take the job. As in any customer service intensive industry, we must yield to the desires of those who pay us, slowly and grudgingly as they might, or watch them go elsewhere. And for those who scoff at this, consider the fate of product lines that failed to meet the needs and desires of customers. The automobile industry, under the name of Plymouth or Pontiac or Saturn, serves up many such cautionary tales.

Indeed, as is the case with the auto industry, the product mix has changed the landscape upon which we operate. In the past, there was a greater need for the skill sets that we, as contractors and our electricians brought to the table. Due to the fact that “plug and play” products and technology have reduced the need for our technical expertise and, at least here in New Jersey, the loss of many of our heavy industrial and manufacturing clients in favor of those requiring less labor and technically challenging applications, have undermined our business model.

Our fathers, even during other recessional business cycles, never faced the systemic failure from which our economy is struggling to climb. The current economic dislocation has hit just about every sector of the economy, leaving banking and financial institutions extremely choosy when it comes to providing the credit that is the life-blood of our industry. As the lack of available credit and funding for projects chokes off our industry, it is not likely we will receive a government sponsored bailout because, in the eyes of many policy makers, we are not “too big to fail,” but “too small to matter.”

While it is true that we will ultimately pull out of this recession, the landscape of the construction industry will have been forever changed. Although I fear that we have lost even more than we can now comprehend, one thing we can do to mitigate the situation is work together, sharing the sacrifices necessary to recover our footing and thereby allow us to put more IBEW electricians in the field. That in and of itself would be a major accomplishment and like virtue, be its own reward in these most trying times.

On a sad note, the electrical construction industry lost a true giant with the passing of our Chapter’s Governor, John Murphy. John was a true friend, leader and gentleman and he will be greatly missed for his many positive contributions to the industry.

## June 22<sup>nd</sup> Chapter Dinner Meeting

6 PM Cocktails 6:30 Dinner/Meeting  
L’Affaire (Rt. 22, Mountainside)

### Speakers:

Richard Parenti, Executive Director, NECA Eastern Region  
Donald Siegel, Int’l Vice President, 3rd District IBEW

### Special Guests:

Business Managers from Local Unions #102, 164, 400 & 456  
Biff Jones, Field Representative, NECA Eastern Region  
Randy Kieffer, Int’l Representative, 3rd District IBEW



# John J. Murphy

## 1955-2010

With the passing of John Murphy, Past President and sitting Governor of NECA's Northern New Jersey Chapter, the electrical construction industry lost one of its most influential leaders, a humble, affable man whose superb leadership qualities were surpassed only by the honor and decency that characterized his approach to life.

Though possessed of an ardent desire to succeed and a prodigious work ethic, these traits were complemented by a calm, patient demeanor. Never one to concern himself with accepting credit for success or affixing blame for setbacks, he truly lived by the axiom that one should be hard on problems not people. Believing that a "rising tide raises all ships," John was always generous with his time and expertise, often serving as a mentor to other NECA Member contractors. Additionally, John supported several scholarships that are providing educational opportunities to a new generation of industry leaders.

John's constant concern for the personal well-being of his employees manifested itself in his unceasing efforts to enhance jobsite safety. Accordingly, John dedicated himself to the implementation of the Northern New Jersey NECA-IBEW-OSHA Construction Industry Safety Program and the Drug-Free Workforce Program that is employed in IBEW Locals 164 and 456. Though central to the success of these initiatives, John, as was his style, was generous in spreading around the accolades for these innovative programs.

As a leader within the NECA Chapter, John promoted a collegial atmosphere for problem-solving and always sought to solicit the broadest possible amount of information and opinions prior to making decisions that would impact the industry. Through his patient demeanor and a willingness to listen to all sides of a debate, John always succeeded in bringing forth the best ideas from all corners of a wide range of sources.

John Murphy was certainly a man of uncommon gifts who, through his many positive contributions, made an immense, lasting impact on the electrical industry. For all of these reasons and for his optimistic, fun-loving approach to his life and his vocation, John Murphy will be missed.

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On the legislative front, NECA is spearheading a coalition of construction industry associations endeavoring to advance significant changes to the New Jersey Construction Lien Law. The New Jersey Law Review Commission has drafted a report with suggested revisions to the Lien Law, and Assemblyman Patrick Diegnan has introduced Assembly Bill 410 to implement the recommendations of the Law Review Commission. The bill has been referred to the Assembly Financial Services Committee and NECA representatives have been meeting with the members of this Committee to advocate for these important revisions. Another key issue for the construction industry, as well as all New Jersey businesses is an unfunded liability in the Unemployment Trust Fund of more than \$1.6 Billion. If no action is taken, this shortfall will lead to an automatic tax increase on employers averaging more than \$400 per employee. The Christie administration has developed a plan to phase in the automatic tax increase over several years, thus limiting the impact in any one year. NECA will be looking to help find ways to mitigate any need for increased costs to New Jersey businesses.

On a positive note, there are several initiatives beginning to work their way through the process which could help create construction jobs. These include a plan, under consideration by New Jersey's colleges, to increase capital construction on their facilities and recently introduced legislation which would allow smaller scale casino projects in Atlantic City.

As the new legislative session progresses and with so much at stake, NECA will be carefully reviewing all legislative and executive branch measures which would impact our members, particularly prevailing wage issues, green building initiatives, changes to public contracts law, and incentive programs focused on generating new economic activity and new construction jobs.