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# CONSTRUCTION CONTRACTOR

SUMMER 2014

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# SUMMER 2014

# LETTER FROM THE EXECUTIVE DIRECTOR

**D**uring the past 22 years, the Builders Exchange has advocated for reform of New York State Labor Law 240, which is commonly referred to as the Scaffold Law. As New York State Court of Appeals Judge Robert S. Smith quoted in a February 2012 case, "Labor Law 240 imposes liability even on contractors and owners who had nothing to do with the plaintiff's accident."



It is important to remember New York is the only state to have this absolute liability statute, which ultimately limits the availability of liability insurance coverage to New York construction employers as insurance companies do not want their company to be financially exposed to absolute liability risk with no limit on potential awards and/or settlements. It is difficult for the insurance industry to quantify an insurance premium on an absolute liability risk, which is only unique to construction employers in New York.

Reform advocates are simply looking for reform of Labor Law 240, not repeal of the statute. Reforming Labor Law 240 would no longer expose employers, owners and insurance companies to absolute liability risks, rather reform would include a comparative negligence standard which is what all other sectors of society in New York and the United States are subject to.

Reforming this law is not a safety issue as opponents of reform preach. Reforming this law is a fairness issue and an economic issue. The primary opponents, trial attorneys, continue to lobby New York State elected officials with over \$1 million per year in political donations, so naturally the trial bar is opposed to reform as they are making millions of dollars per year from Labor Law 240 cases.

Governor Andrew Cuomo conceded that the scaffold law was among the "infuriating" things about doing business in New York, but couldn't be changed because of the strength of its supporters, particularly the state trial lawyers association. "The trial lawyers are the single most powerful political force in Albany," Cuomo said in April 2014. "That's the short answer. It's also the long answer."

Please continue to contact your local legislators and express your support of reforming this antiquated law. As an advocate for all construction industry employers, the Builders Exchange will continue to work with elected officials in an effort to reform Labor Law 240.

Yours truly,

Earl R. Hall  
Executive Director

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# CONSTRUCTION TO CORPORATE AND BACK

## ATLAS FENCE OWNER BLENDS EXPERIENCE, EDUCATION TO STAY ON TOP

### MARTHA E. CONWAY



The Atlas Fence management team (l-r) Brian Sullivan, Residential Production Manager, Aaron Scanlon, Commercial Production Manager, Chris Polimino, CEO

**The phones ring steadily at the front desk of Atlas Fence, employees moving expeditiously through the building, speaking animatedly about all things fencing and fencing hardware. The national economic trend appears to be suspended here.**

With continued demonstrated commitment to customer service excellence, owner Chris Polimino – now in his third year of Atlas Fence’s 35-year operation – said he’s had no trouble retaining the business’s clientele and their confidence.

“We continue to do work for those who were served under the previous ownership,” Polimino said, “and I’ve brought additional clients to the business, as well.”

Polimino started his working life in the construction field – working to help support his way through college. After graduation, he went to work for a national public accounting

firm, rose to chief operating officer of Tracey Road Equipment and achieved the position of President and CEO at Syracuse-based Op-Tech Environmental Services. At the top of the corporate ladder, the only place to go was into business for himself.

Polimino said he started looking for an established business for sale and learned about a confidential sale of a construction-related company. Business operations and construction being his blended areas of expertise, he pursued it.

“After signing a confidentiality agreement and non-disclosure statement, I learned it was Atlas,” Polimino said. “I was thrilled.” Negotiations took about a year.

“I have a great banking relationship with Rick Shirtz and Bob Vertucci at NBT Bank,” Polimino said, “and a member of my family helped. Those things made it possible.”

**B**usiness operations and management are second nature to Polimino, so there were no surprises in running the business.

“I am very comfortable with the business operations with my background as an auditor and my previous executive-level positions,” Polimino said. “What took me by surprise was how technical fencing is; it’s way more technical than people think.”

In addition to the various types of fencing needs, materials and construction, Polimino said, there are challenges in codes, zoning, property grades and other physical features of a property that dictate how a client may be able to construct what they want with the materials and end result they desire.

“There are also some very big differences between running someone else’s business and running your own,” Polimino said, adding that he is a very hands-on but non-interfering manager. “When the business operations work is done, I go join the crews in the field. I ask, ‘What do you need? I’m working for you now.’ I’m hands-on, but not micro-managing.”

Polimino said his staff – all 48 of them – is better than any other in the field. He said the thing he is proudest of in the purchase of Atlas Fence is keeping nearly 100 percent of the original staff.

“We have sales, installers, office and clerical, commercial and residential



The Business Office team at Atlas (l-r) Norm Schillawski, Missy Burton, Kathy Zaretski, Jennifer Blanchard and Connie Valerio

estimators and three certified automatic gate operator installers,” Polimino said of his employees. “I love the employees. Our staff base is second to none – technical experience, loyalty among the staff – it’s better than any other in the business. I’d put money on it.”

The public showroom is 4,000-plus square feet and features every residential product line the company offers. Commercial materials are special-ordered, customized for each job or project. In addition to the fencing lines, Atlas Fence is doing basketball hoops.

“We’ve got the equipment to dig the holes already on site,” Polimino said. “It was sort of a natural extension of service.”

The residential installation crews travel up to about a 70-mile radius, Polimino said; Atlas will travel farther for bigger jobs.

**“We continue to do work for those who were served under the previous ownership,”**

“Commercial jobs, we’ll travel all of New York State except New York City,” Polimino said. “We also do Pennsylvania, New Hampshire ... pretty much all of New England.”

“I worked with our sales team to update the showroom when I came on board,” Polimino said. “Our sales team designed and came up with the color scheme for the whole thing. They did a beautiful job.”

Atlas Fence works with the public, general contractors, landscapers, landscape architects, public utilities and a variety of governmental agencies to meet their decorative and security needs.

“But if we are the installers, we are the installers,” Polimino said. “We use our own crews and never subcontract installation.”



The Estimating Department (l-r) Matt Simcoe, and Ray Hahn.



Commercial sales estimator, Ron Salgado, has been with Atlas Fence for 29 years.

Photo by Norm Schillawski

The seasonal nature of the business required some adjustment, Polimino said. "We run fewer crews and focus on maintaining the property, preparing bids, reorganizing our product inventory and attending trade shows," Polimino said.

The most challenging job Atlas has tackled since Polimino took over Feb. 15, 2012, was a recent high-security project for the Department of Defense.

"It required steel cabling and other technical aspects of securing a property that we'd not done previously," Polimino said. "We're very happy with the end result."

Atlas Fence prides itself on using American-made building materials. Polimino said it just makes sense to have a steady supply of domestic materials they can use all the time, rather than trying to find them when bidding municipal and governmental jobs that require American-made supplies and materials be utilized.

Polimino said NBT and the Small Business Administration made it possible for him to purchase the entire property recently; he said it was a smooth process.

"The SBA was incredibly helpful," Polimino said, adding that former owner John Czebiniak continues to be available for help and advice. "I am definitely proudest of the transition of the company while keeping the employee base. I think in the transition phase, employees are always going to wonder if you're a jerk and decide whether to give it a chance or leave. It's a great feeling that nearly all of them stayed."

"John has been absolutely wonderful to work with. He has been a great support, training me and a new estimator... I can't imagine how difficult it must be for John, who has built such a reputable company like this and relinquish control of the company he built from scratch."

According to Polimino, the consultant who saw them through the sale and transition said this experience has been the model for how transitions should go.

"That can only happen with people who worked as well together as John and I have," Polimino said.

Plans for the future are big, but within the next five years, Polimino would like to overhaul the commercial fleet to help improve crew efficiency.

"That efficiency translates into heightened customer satisfaction," Polimino said.

Polimino already has invested about \$350,000 into new service trucks, Kubota skid steers, Dandy Diggers and Dingo compact utility machines.

"Equipment and equipment reliability is a big deal," Polimino said. "I would also like to add another commercial estimator because I think my commercial crews could handle more projects. We're pretty tight on the residential side – residential is humming along, though, so another estimator there would require my adding more residential crews. I think our commercial employees would like to do more."



Atlas fence Yard Manager, Jordan McNulty, unloading a truck

Polimino has continued Atlas Fence's long history of community giving, as well. "Each year, we establish a budget for charitable contributions and in-kind donations," Polimino said. "The budget varies from year to year depending on the economic climate as well as financial commitments of the company."

Among those who benefit from the generosity of Atlas Fence – by no means



Atlas Fence worked with C.O. Falter on the Lower Harbor Brook Project on State Fair Boulevard in Syracuse



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an exhaustive list – are The Jim and Juli Boeheim Foundation, The Humane Association, Wanderers' Rest Humane Association, the Juvenile Diabetes Research Foundation, Carol Baldwin Foundation, The Cicero Canteen, The Kidney Foundation, Courts for Kids, CNS Boosters, CNS Dollars for Scholars, ESM Little League and SU Community Corner Sponsor at the Carrier Dome, to name a few.

"Basically we contribute based on the order of requests that come in," Polimino said. "When we get to the established amount that we have set for the year, we wait until the next year and try and accommodate all requests. The causes are important because I believe, as a business owner, it is important to give back to these causes when it makes sense financially for the company. I will admit I do have a soft spot for animal shelters and animal rescue groups."

Among long-term plans is perhaps a satellite location in a warmer climate so crews may work year-round.

"I would really like people to know our commitment to quality customer service is unparalleled in the field," Polimino said. "It doesn't happen very often, but when a customer is unhappy, we go back until they are."

Who needs a fence? "Everyone," Polimino said, laughing.

# AFFORDABLE CARE ACT: EMPLOYEE CONSIDERATIONS

BY LORI A. BROWNE, PAHM, VICE PRESIDENT, THE EXCHANGE AGENCY



**M**any of the key components of the Affordable Care Act (ACA) are now in effect, and a recent ACA survey highlights several trends regarding how employers are responding to the law.

In a national survey, the majority of employers are choosing to “play” when faced with offering coverage or paying a penalty—86 percent of respondents either definitely will or are likely to continue offering coverage to employees. This number increased nine percentage points over the last two years.

Overall, employers report that health care costs are increasing. With the recent filing of rates by the local insurance companies to NYS Department of Financial Services for 2015, employers are questioning what the ACA has done to lower costs. Nearly 7 in 10 respondents said that ACA changes have increased their organization’s health benefits costs or they are expecting future increases.

Despite the potential premium increases, many businesses did not see a large rate increase in 2014, so double digit increases are expected in 2015 to offset the expenses, taxes, and fees of the ACA. Many employers have understood and expected this, and continue to find ways to offer employee benefits to their valued employees. Benefits are offered for the same reasons they were offered before the ACA – for attracting and retaining good employees. Employee morale is critical to production; and is a consideration when determining employee benefits. Be careful not to try and get around the law. Research and weigh the costs associated with a “New Approach.”

If an employer is considering dropping the offering of health insurance altogether, there is a good deal to consider. A conversation with their attorney, tax advisor, and insurance broker is critical to be sure the employer is providing proper notification and taking the appropriate steps without violating ACA or DOL requirements.

Employees and other individuals residing in New York State who find themselves without health insurance may purchase insurance for themselves or their families through individual marketplace at NY State of Health, during the open enrollment periods, or during special enrollment periods. Individuals may also purchase coverage for themselves or their families directly through their local insurance company, again, during open or special enrollment periods. Those plans are known as individual “off-exchange” health plans. These types of health plans are not eligible for financial assistance. Premium assistance is only available for qualified applicants enrolling through NY State of Health’s Individual Qualified Health Plans.

Upon contacting NY State of Health, an individual must be prepared to provide financial, tax and household income information to determine whether they are eligible for any premium assistance, Medicaid, or copayment assistance. Assistance is based on household income and other factors. Once NY State of Health determines the person’s premium tax credit, they would be guided to a list of health plans they can select from in their area. An online calculator is also available at <http://info.nystateofhealth.ny.gov/calculator> that will provide an estimate of premiums and tax credits in the individual market. The state government is not the insurance company. NYS is the filter for the financial data and the enrollment. Once the insurance company is selected by the individual/family, the insurance company will bill them at their home for premiums each month.

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The NYS of Health reported that as of April 15, 2014, 55% of Marketplace enrollees were Medicaid enrollees, 7% were Child Health Plus enrollees, 28% were Qualified Health Plan enrollees with subsidies, and 10% were Qualified Health Plan enrollees without subsidies.

Key considerations for those opting to purchase coverage outside of their employer:

The federal law prohibits an individual from receiving financial assistance in the Marketplace if they are offered "affordable" employer sponsored coverage.

Rates and costs for copayments and deductibles vary by insurance company and metal tier.

Research the provider network to determine if your doctors, lab facilities, and other providers are in the health plan

network you are considering. Many of the Individual health plans do not have coverage out of network.

Inquire about all the local hospitals to determine if they are included in the provider network for overnight hospital stays. Ask how traveling outside of the local area affects overnight hospital stays. (Outside of Emergency Room care).

Pharmacy formularies vary between the insurance companies, and individual/family plans tend to have a narrower selection of covered prescription drugs than group health plans. Before selecting the insurance company, individuals should question whether their prescription drugs would be covered.

#### Consequences of Reimbursing Individual Insurance Premiums for Employees

On May 13, 2014, the Internal Revenue Service (IRS) issued FAQs addressing the consequences for employers that do not establish a health insurance plan for their employees, but instead reimburse employees for premiums for individual health insurance, either inside or outside of an Exchange. These arrangements are known as "employer payment plans," and are not in compliance with the ACA's market reforms.

#### Employer Payment Plans Background

In [Revenue Ruling 61-146](#), the IRS provided that if an employer reimburses an

employee's premiums for non-employer sponsored health insurance, the payments are excluded from the employee's gross income. This allowed an employer to pay an employee's premiums for individual health coverage without the employee paying tax on the amount.

[IRS Notice 2013-54](#) issued on Sept. 13, 2013, states that these employer payment plans are considered to be group health plans subject to the ACA's rules, including the annual limit prohibition and the preventive care coverage requirement. The IRS Notice clarifies that these employer payment plans cannot be combined with individual health insurance policies, and thus fails to satisfy the ACA's market reforms. As a result, effective for 2014 plan years, these plans are essentially prohibited.

#### Consequences for Employers

Because "employer payment plans," do not comply with the ACA, the IRS has indicated that these arrangements may be subject to an excise tax of \$100 per day for each applicable employee (\$36,500 per year per employee). However, premium reimbursement arrangements made on an after-tax basis are allowed. Employers that plan on using after-tax premium reimbursement arrangements should be aware that these arrangements may be considered "employee benefit plans" subject to ERISA's requirements. Effective for 2014, the tax exclusion provided through a cafeteria plan is only available when group coverage is provided.

For information on IRS rules of the Affordable Care Act as it relates to your business(es), consult with a professional tax advisor.

The information contained in this article is not intended as legal, tax nor medical advice. For information pertaining to legal, tax, or medical advice, consult an attorney, tax advisor, or medical professional.

For more information on employee benefits, please contact Lori Browne at 315-437-9346 x17 or by email: [LBrowne@TheExchangeAgency.com](mailto:LBrowne@TheExchangeAgency.com).

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# SAFETY GROUPS CONTINUE TO BENEFIT EMPLOYERS

BY BARRY S. LOVELL, PRESIDENT, LOVELL SAFETY MANAGEMENT CO., LLC

This year, the 100th anniversary of the workers' compensation system in New York State, insurance carriers will bill and collect over \$2 billion in premiums. Premiums from construction companies will be a major portion of that \$2 billion. Though it is hard to believe today, the reformers who created the workers' compensation system did not want private carriers to participate.

The new workers' compensation law required businesses to maintain insurance coverage. Unlike other types of insurance, workers' compensation was not going to be optional. Business leaders feared that the insurance industry would take advantage of having a captive customer base.

Their solution was to create one large insurance carrier, run by the State of New York, to write all workers' compensation coverage. Though that insurance carrier would have a monopoly on all workers' compensation coverage, state law would mandate the carrier not operate to make a profit. Business leaders were willing to pay the cost of their claims, but they did not think they should have to pay for the insurance industry to make a profit.

Insurance companies fought for the right to participate in the new system. They argued they had large, multi-state customers who wanted to deal with just one insurance company for all the states in which they operated, and for all the lines of insurance they purchased. They convinced the legislature to create a hybrid system that permitted them to compete with the state-run, not-for-profit carrier created by the workers' compensation law.

The primary way in which the 1914 law sought to keep costs for businesses under control was by permitting Safety Groups. Safety Groups are like mutual insurance companies run under the auspices of the not-for-profit carrier created by the workers' compensation law. In a Safety Group, members of an industry pool their premium. The members of the group are charged for their fixed expenses, like the cost of billing and collecting the premium, or the cost of defending and paying their claims. The group is also charged for the cost of their loss payments, both directly, and by paying for reinsurance. Any money left over is then available to the policyholder.

Safety Groups were given the statutory right to pay dividends to its members. Those dividends represent the profit that would have accrued to an insurance company. The goal of the framers of the workers' compensation law was to give

businesses the opportunity to pay only what was necessary to cover the costs of their occupational injuries. The group mechanism was also designed to encourage employers to invest in safety, as they would directly reap the benefits of a safer workplace through lower costs.

The group mechanism is especially valuable to members now that costs have begun to rise. The rates charged by insurance companies reflect their best guess as to what their claims will cost. If carriers guess too low, then their stockholders suffer a loss. On the other hand, if they guess too high, their stockholders stand to benefit. In a group, if the rates charged are too high, then dividends will increase.

The business people that participated in the design of the workers' compensation system knew they were creating a hybrid system, one that encouraged competition between public and private insurance companies. They believed encouraging competition was the best way to ensure businesses had to pay only what was necessary to cover the cost of their occupational injuries. One hundred years later, the system they designed continues to benefit employers.

Barry S. Lovell is President of Lovell Safety Management Co., LLC. Mr. Lovell is the Treasurer of the Association of Safety Group Managers, and is active on the Workers' Compensation Committee of the Business Council of New York State. For more information on Lovell Safety Groups, visit their website at [www.lovellsafety.com](http://www.lovellsafety.com).

## NEW YORK WORKERS' COMPENSATION LAW



# IN-HOUSE TRAINING OFFERS MANY ADVANTAGES

BY LISA BROWNSON, SAFETY SOURCE CONSULTANTS, LTD



I received an email recently from a client who needed lift training in a hurry. I wasn't available, and the client asked whether they could do the training themselves. She said they have some very experienced people on staff. My answer: absolutely. Doing training yourself has the advantage of flexibility and convenience. When you hire a new employee, you can get them in the field sooner if you can deliver the necessary training in-house.

I explained, in the case of aerial lifts, which fall under the scaffold standard, her trainer would not need to be certified, but would of course have to be qualified based on experience and training. (Employers should keep resumes on all in-house trainers showing their qualifications, in case OSHA asks.)

I said it's always a plus to take a train-the-trainer class, but some perfectly good training kits are available at a modest price. After a quick Google search, I found an aerial lift kit that included an 18-minute DVD and a CD-ROM with a program outline, quiz and answer key (in English and Spanish), certificate and wallet card templates, a training log, and a list of site-specific information, all for \$125. (National Safety Compliance, [osha-safety-training.net](http://osha-safety-training.net)) Many firms will allow you to preview some portion of their materials.

Another area I get asked about is forklift truck training. The forklift truck (Powered Industrial Truck) standard requires initial formal training, practical training, and evaluation of the operator. It reads, "All operator training and evaluation shall be conducted by

persons who have the knowledge, training, and experience to train powered industrial truck operators and evaluate their competence." You may already have someone in-house this describes perfectly.

The regulations describe exactly what needs to be included in forklift truck classes. Once your trainer has acquired an understanding of those requirements, you could download a lot of the necessary training materials from OSHA's website, possibly supplemented by a good DVD that reinforces the lessons. (The equipment vendor may have a DVD they will provide at little or no cost.)

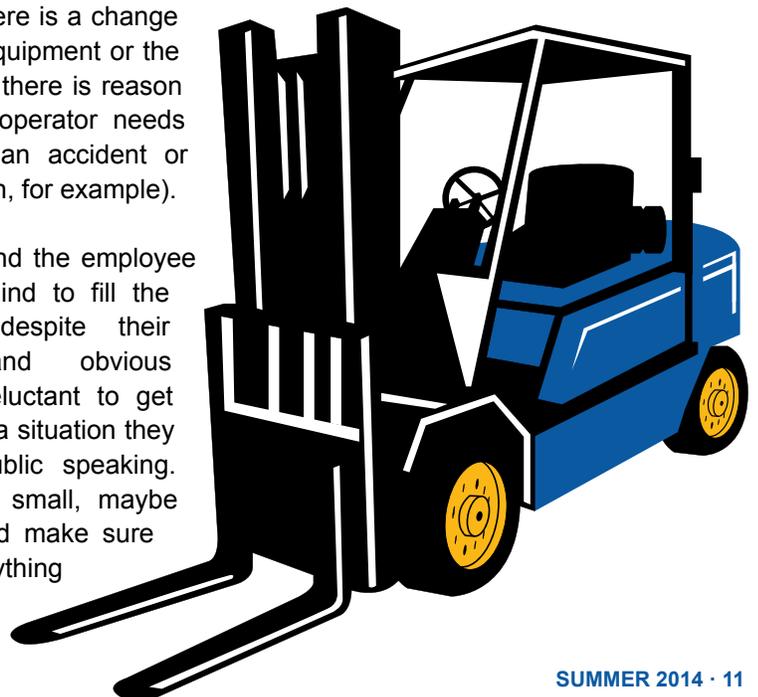
Please note OSHA requires you maintain certification of training that shows the name of the operator, the date of the formal training, the date of the skills evaluation, and the identity of the person(s) providing the training or evaluation. The evaluations will have to be performed at least every three years, and classroom training will have to be done if there is a change to the type of equipment or the workplace, or if there is reason to believe the operator needs more training (an accident or unsafe operation, for example).

You may find the employee you have in mind to fill the trainer role, despite their experience and obvious capability, is reluctant to get anywhere near a situation they think of as public speaking. Start them out small, maybe one-on-one, and make sure they have everything they need for

a successful experience: appropriate space, access to the lift or other equipment, etc. Refreshments are always a plus. At some point, try to send them to a train-the-trainer class. It will give them confidence and some techniques they'll find useful.

Just a reminder: There are courses that do require their trainers to complete special classes. The OSHA 10- and 30-hours are an example. Check the regulations for the area you're interested in for guidance ([osha.gov](http://osha.gov)) or give OSHA a call. The NYS DOL Division of Safety and Health (DOSH) can also give you a hand, their Syracuse area office # is (315) 479-3205.

Lisa Brownson, CSP, is President of Safety Source Consultants, LTD. For more information on training options you may contact her at 315-373-5709 or by email at [LBrownson@twcny.rr.com](mailto:LBrownson@twcny.rr.com).



# SHAFFER BUILDING SERVICES TAKES PRIDE IN SAFETY, QUALITY, SURVIVAL INSTINCT

MARTHA E. CONWAY

**F**or more than 40 years, Shaffer Building Services, specialists in commercial roofing, have been going above and beyond to meet customer needs around the northeast. Originally founded as E.A. Shaffer & Sons, Inc., Shaffer Building Services acquired Giarrosso Sheet Metal Corporation in 2006. Purchase of Giarrosso, with a history dating back to 1888, allowed Shaffer Building Services to expand services to include custom sheet metal projects.

**Brothers Andrew and Patrick Shaffer have operated the business since their father Eugene's retirement in 1996.**

Shaffer Building Services specialize in the installation of new roofing systems, re-roofing, standing seam roofing systems, sheet metal installation and fabrication, historical recreations and roofing-related fabrications. Additional services include emergency leak and roof repairs, ice and snow removal, heat trace installation, and roof drain repairs.

The latest trend is the installation of green – literally – roofs. In 2011, Shaffer Building Services installed a green roofing system on the Monroe Building in downtown Syracuse. The project converted approximately 5,200 square feet of rooftop surface to a vegetative roof expected to reduce run-off by 91,581 gallons annually. Shaffer Building Services also installed the green roofing system on the Gear Building in downtown Syracuse.

"The biggest and toughest challenge to arise during the past 30 years has been the increasing cost of Liability and Workers' Compensation Insurance in New York State," Patrick Shaffer said.

New York State has Labor Laws 240 and 241 on the books, these laws, which were written before Workers' Compensation insurance was mandated in 1914, hold contractors strictly liable for employees in falls from height. New York State is the only state in the union, which still has these laws on the books, which in turn create a litigious atmosphere in New York State.

the 10-Hour OSHA training course, all of this to provide a safe working environment for our employees," said Patrick Shaffer. "We believe we should have the right to defend ourselves from frivolous and unfounded suits that claim we did not provide a safe work place."

"These laws drive up the cost of projects to building owners and taxpayers" said Andrew Shaffer. "For example, if I see an employee doing an unsafe act, and I admonish that employee and tell them to not act in that manner, and then the employee

does exactly what I told him or her not to do, and the employee falls from height. We are strictly liable, and have no ability to defend ourselves, if that employee brings a lawsuit against us. This even though that employee has been told, and trained not to act in that manner."

"I have been to Albany many times over the past 15 years as part of the 'Small Business Lobby' day with the Syracuse Builders Exchange,

to try and get these 100-year old laws rewritten, so we may at least show that employees have some responsibility to act in a safe and compliant manner," Andrew Shaffer said.

In addition to liability and Workers' Compensation insurances, payroll taxes and operating expenses are constantly on the rise.



Patrick and Andrew Shaffer pose with their Giarrosso tin man.

These laws prevent contractors from defending themselves in liability suits, even though the employees have been trained in safe working practices.

"We hold a weekly safety meeting every Monday to review safe working practices, we provide all required safety gear for our employees, and we send our employees to



New Sky Armory Building (Downtown, Syracuse) - EPDM (Rubber) Roof



RAV Properties (Thompson Road, Syracuse) - Insulated TPO (Thermal Plastic) Roof, 140,000 Sq.Ft

Shaffer Building Services and Giarosso Sheet Metal employ 27 full-time and one part-time employee.

According to Andrew Shaffer, the business has to work with municipal leaders often, sometimes having to shut down roads to do work. He said Syracuse has been wonderful in its cooperation to get these projects completed.

**Andrew Shaffer said selling projects and installing complete roofing systems are his favorite part of the job, both in the private sector and public works.**

“Our success, allows us to be selective about the jobs we bid,” Andrew Shaffer said.

The company also does warranty work for numerous large-volume manufacturers.

“We pretty much cover the northeast and have been as far south as North Carolina,” Andrew Shaffer said. “It just depends on the job and our relationship with the client.”

During the next five years, Andrew Shaffer said he would like to expand the estimating staff and add crews.

“I’m getting to where I would like to plan for retirement, and I want to make sure everything will go smoothly when I do,” Andrew Shaffer said.

“The thing that we are most proud of is being able to survive in New York’s business climate and provide good-paying jobs and benefits for our employees for more than 35 years,” said Patrick Shaffer.

“It is good to know you treat your clients and employees fairly, and go above and beyond in the job,” Andrew Shaffer said. “We provide a very safe workplace – we are committed to safety. When new employees are hired, I tell them the first three things they are going to learn are safety, safety, and safety.”

“Then we talk about job quality,” Andrew Shaffer said. “We’ve never emphasized speed in an installation or repair because we expect quality.”

Shaffer Building Services would like to stress the importance of regular preventive maintenance and inspections of roofs, drains and gutters. In order to prolong the life expectancy of any roofing membrane, they recommend all roofs be inspected for possible leaks, penetrations, seam separations and drain functionality by a qualified roofing technician on a regular basis.

Most service calls occur after a roof has failed and can result in more costly repairs; at times, damages may include merchandise, computers, furniture, ceiling repairs and carpeting. The inspection service they provide will include a detailed report on the condition of the roof, along with recommendations in prolonging the life for all roofing applications.

[Shaffer Building Services, Inc.](#), is located at 120 Ball Circle, Syracuse, New York. 315.471.4500 FAX: 315.471.4535 Email: [Office@ShafferBuildingServices.com](mailto:Office@ShafferBuildingServices.com) [www.ShafferBuildingServices.com](http://www.ShafferBuildingServices.com) Hours: Monday through Friday, 8 a.m. to 5 p.m. Saturdays for emergencies only



# WHAT EVERY EMPLOYER NEEDS TO KNOW ABOUT OBAMACARE BEFORE 2015

BY JOSEPH A. HARDICK, CPA, CCIFP, DANNIBLE & MCKEE, LLP

There has been a lot of information written about the [Affordable Care Act \(ACA/ObamaCare\)](#), perhaps too much. You can now buy a 2,600-page handbook that addresses the myriad of different situations and approaches and spend hundreds of hours personally learning all about it. However, for most of us, we just want easy to understand, practical answers. Here they are.

What does ObamaCare do and how does it affect my company?

### At its center, the ACA:

- Requires all citizens, with many exceptions, to buy health insurance;
- Requires certain employers to offer health insurance;
- Creates exchanges where health insurance can be purchased.

It seems simple, but as the saying goes, the devil is in the details. Those individuals and companies who are not eligible for an exclusion or exception, and who do not obtain or offer health insurance are subject to penalties/taxes.

Most portions of ObamaCare were originally required, under the law, to be effective January 1, 2014. However, the administration cancelled or delayed substantial pieces of legislation. The individual mandate mostly kept the original start date. For employers, the new launch date depends on the size of the entity.

| Size Classification | Number of FTE | Start Date      |
|---------------------|---------------|-----------------|
| Small Employer      | 0 - 49        | Not Required    |
| Medium Employer     | 50 - 99       | January 1, 2016 |
| Large Employer      | 100 +         | January 1, 2015 |

While this seems very straightforward, there is a profusion of exacting regulations used in defining it. The two you need to be concerned with deal in determining the number of employees. Firstly, please note the number which is relevant is the full-time equivalents (FTE). This includes all full-time employees (those who work 30 + hours per week) and part-time employees. When adding up part-time employees, count them based on hours worked, so an employee working 20 hours per week equates to 1/2 of an FTE. Therefore, you could have more than 50 employees and still are not required to provide health insurance, as you had less than 50 FTE's.

## EXAMPLE

A company has 10 employees who regularly work 32 – 36 hours per week (full-time) and 20 salaried employees who work 40 + hours a week. In addition, they have another 30 part-time employees who work on average of 20 hours ( $20/40 = 1/2 \times 30 = 15$ ). The employer is considered a “small employer” as they have less than 50 FTE's ( $10 + 20 + 15 = 45$ ), and is not required to provide health insurance.

Another rule to keep in mind concerns aggregation. Aggregation is the concept of treating related or commonly controlled entities as one group for purposes of determining the size classification. This prevents a person from splitting up his 100 FTE company into 4 companies with 25 FTE's each to avoid ObamaCare. Again, the regulations in this area are extensive, but if a small group of owners control the operations of multiple entities, they probably will be aggregated for ObamaCare. All employees of companies under common control are added together to determine the size classification of the group.

Although small companies are not currently covered under the “Employer Mandate” to provide their employees health insurance, they, of course, can provide this benefit. In fact, all small employers who do provide health insurance should check to see if they qualify for a tax credit under the ACA (Internal Revenue Code Section 45R) which has been available since 2010.

In the next issue we will examine what insurance must be provided for employees of medium and large employers.

Joseph A. Hardick, CPA, CCIFP, is a partner in [Dannible & McKee, LLP](#), a Syracuse, New York based public accounting firm with more than 80 professionals. The Firm has been providing services to the construction industry since its inception in 1978. Mr. Hardick is a tax partner and a member of the Firm's construction group. You may contact him at (315) 472-9127, or [jhardick@dmcpas.com](mailto:jhardick@dmcpas.com), or visit the Firm online at [www.dmcpas.com](http://www.dmcpas.com).

# 2014 ANNUAL CRAFTSMANSHIP AWARDS

The Syracuse Builders Exchange (SBE) Annual Craftsmanship Awards dinner was held on Friday, June 27, 2014. The Awards program established by the Syracuse Builders Exchange Board of Directors is to recognize exceptional craftsmanship by employees of Builders Exchange members for construction projects completed in the central New York area. Winners were recognized by the presentation of plaques at the dinner where photo displays of the projects were prominently on view.

## The winners of the 2014 Syracuse Builders Exchange Craftsmanship Awards:

### EXTERIOR STRUCTURAL FRAMING DIVISION

Winner: Ron Cellamare, Jr.  
Employer: Sherman Construction, Inc.  
Project: Chase Bank Cicero Branch  
Location: Cicero, New York  
Owner: Chase Bank Cicero Branch  
Prime Contractor: Franchine Contractors

### EXTERIOR WALL PANELS DIVISION

Winner: Jeff Ackerman  
Employer: Henderson-Johnson Co., Inc.  
Project: Health Science Center IHP Expansion  
Location: Syracuse, New York  
Owner: SUNY Upstate Medical University  
Prime Contractor: Northland Associates, Inc.

### CONSTRUCTION CONTRACTOR



(l-r) Ron Cellamare, Jr., Scott Phelps accepting for his father, Robert Phelps, Ron Raymer accepting for Travis Risley, Murray Stout, Jeff Ackerman, Stuart Mierke, Mike Shaffer, and Tyler Dixon

### PROJECT SUPERVISION DIVISION

Winner: Robert Phelps  
Employer: Hueber-Breuer Construction Co., Inc.  
Project: Syracuse Hancock Airport Expansion & Renovation  
Location: Syracuse, New York  
Owner: Syracuse Regional Airport Authority  
Prime Contractors: Hueber-Breuer Construction Co., Inc.

### ELECTRICAL DIVISION

Winner: Travis Risley  
Employer: O'Connell Electric Co., Inc.  
Project: GUSC Biomass Combined Heat & Power Cogeneration Project  
Location: Rome, New York  
Owner: GUSC Energy, Inc.  
Prime Contractor: Cogen Power Technologies

### RESIDENTIAL DIVISION

Winner: Tyler Dixon  
Employer: McClurg  
Project: Mike & Krystin Downes Residence  
Location: Tully, New York  
Owner: Mike & Krystin Downes  
Prime Contractor: McClurg

### LANDSCAPING DIVISION

Winner: Murray Stout  
Employer: Gasparini Landscaping Co., Inc.  
Project: Dr. & Mrs. Ramzi Khairallah Residence  
Location: Syracuse, New York  
Owners: Dr. & Mrs. Ramzi Khairallah  
Prime Contractor: Gasparini Landscaping Co., Inc.

### STRUCTURAL DIVISION

Winner: Stuart Mierke  
Employer: Murnane Building Contractors, Inc.  
Project: The Herbert F. Johnson Museum of Art Addition  
Location: Ithaca, New York  
Owner: Cornell University  
Prime Contractor: Murnane Building Contractors, Inc.

### INTERIOR DIVISION

Winner: Mike Shaffer  
Employer: Edward Schalk & Son, Inc.  
Project: Turning Stone Piano & Atrium Bars  
Location: Verona, New York  
Owner: Turning Stone Casino  
Prime Contractor: The Hayner-Hoyt Construction Corp.

# 2014 ANNUAL SCHOLARSHIP AWARDS

**In 1998**, the Syracuse Builders Exchange Scholarship Fund was established by then President R. Daniel McCarthy. Each year the program provides scholarship awards to dependent children of employees of members firms, or to employees of members firms, who are continuing their education. SBE has awarded in excess of \$91,000 since the program's inception.

## [KATHLEEN VERDI - \\$2,000](#)

Student employed by SBE Member  
International Fire Shield  
Attending: Cayuga Community College  
Proposed Degree: Business Administration

## [MARIA MANGINE - \\$2,000](#)

Parents: Fred & Teresa Mangine  
Father employed by SBE Member Upstate  
Systems, Inc.  
Attending: University of Buffalo School of Dentistry  
Proposed Degree: Doctor of Dental Surgery

## [EMMA CHRISTIANTELLI - \\$1,000](#)

Parents: Frank & Laura Christiantelli  
Father employed by SBE Member Casler  
Masonry, Inc.  
Attending: Marist College  
Proposed Degree: Communications

## [HAILEY HOLCOMB - \\$1,000](#)

Parents: Jim & Marie Jones  
Father employed by SBE Member Gypsum  
Wholesalers  
Attending: Nazareth College  
Proposed Degree: Occupational Therapy

## [ATHENA KLEIN - \\$1,000](#)

Parents: Angeliki & Eric Klein  
Mother employed by SBE Member First Niagara  
Attending: Onondaga Community College  
Proposed Degree: Humanities or Math &  
Science

## [GABRIELLE DAVIS - \\$1,000](#)

Parents: Peter & Debra Davis  
Father employed by SBE Member TCM  
Commercial Flooring  
Attending: Seton Hall University  
Proposed Degree: Communications & Spanish



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**Ken Gardiner**



**Joe Hardick**

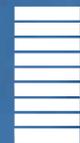


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