



ASSOCIATION UPDATE

SPRING 2011

President's Message



Friends, members and colleagues,

We begin 2011 in the most difficult economy and challenging business environment in recent memory. The recession in the economy goes on while our market share continues to erode. As you know, our collective bargaining agreement with District Council No. 9 expires at the end of April, 2011. I have been working, together with the Association's negotiating committee, to conclude a new trade agreement that ensures that our industry is viable and profitable now and in the future. We are working with our partners in Labor to reach a fair agreement that recognizes the reality of the crisis in which we find ourselves. Ultimately, our goal is to reach an agreement that enables our businesses to be competitive while also securing the financial well-being of our valued employees. The challenge is great but the stakes could not be more critical. This is a time when our partnership between employer, employee and Labor leader may well be the key to success. Finally, I appeal to you as Association members to engage yourselves in the process. Come to our meetings and continue to give us your ideas and the benefit of your experience. Your participation is invaluable and will contribute greatly to our goals. I am confident that with hard work and the recognition of the seriousness of the challenge facing us, we can accomplish this vital task.

- Peter Cafiero, President, The Association of Master Painters and Decorators of New York, Inc.

We've Moved!

We are pleased to announce our new expanded office location. You can find us at:

**370 7th Avenue, Room 418
New York, New York 10001**

The Association of Master Painters and Decorators Host 185th Annual Convention

The Association of Master Painters and Decorators Host 185th Annual Convention at The Ritz-Carlton, San Juan

Bruce Ruinsky, Executive Director, began the meeting by talking about the crisis in the union painting industry; the crisis is shared by both labor and management alike. While the industry is faced with numerous challenges underscored by an economic recession, Bruce spoke about the strong foundation of relationships within the painting industry which will enable the industry to work together to weather hard times.

Joseph Ramaglia, Business Manager of DC9, highlighted the labor-management cooperation that has occurred during the past year. He asked the audience to continue to work together during the coming year to weather the economic crisis and to continue brainstorming, meeting and partnering to make the industry better.

Stephen T. Burton of Felaber, Larson, Fenlon & Vogt, PA made a presentation entitled "Bargaining in the Aftermath of Healthcare Reform." Steve spoke about the impacts of the legislation for both labor and management in the collective bargaining process.

Murray Richman of the Law Offices of Murray Richman made a presentation on "What to Do if the Authorities Come Knocking at Your Door." He spoke about how to handle yourself if the authorities come to your door and/or if you are subpoenaed for information. He identified the need to select the right legal counsel and the importance of knowing your rights when you are approached by authorities either at your home or your place of business.

Sarah Berman, President of The Berman Group, Inc., presented marketing strategies for the new economy to the members of the association,

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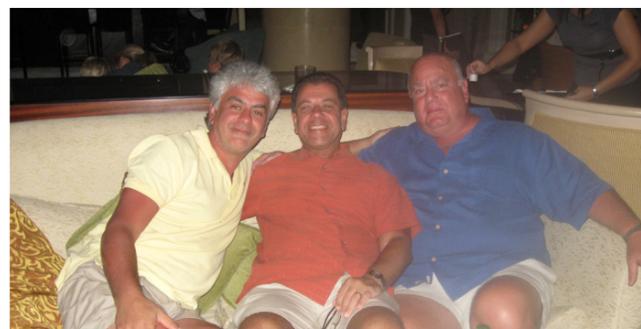


The Association of Master Painters and Decorators Host 185th Annual Convention

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highlighting effective strategies for winning new business without a large marketing budget. These strategies included email campaigns, phone calls and even direct mail letters that can be sent to clients and prospects as a way of helping contractors weather the economic storm.

Gary Meyers, Fund Administrator, IUPAT, Industry Pension Fund, provided an update on the industry's pension funds. The good news is that the pension fund is safe and he made a report of the status of the funds. The funds are strong, despite the economic climate and he spoke about growth in the plan and movement in the right direction. Union members are accruing credit, retiree benefits have not been touched and the pension fund trustees are making smart investments.



Seth Pinsky, President, New York City Economic Development Corporation, Serves as Keynote Speaker for 2011 Annual Meeting

On January 19, 2011, the Association of Master Painters and Decorators of New York held their Annual Meeting. Seth Pinsky, President of the New York City Economic Development Corporation (NYCEDC), served as the Keynote Speaker and gave a presentation discussing economic development throughout the region. Despite a 38% drop in construction starts in New York City, Mr. Pinsky highlighted how NYCEDC is outperforming the rest of the nation, by having fewer job losses, creating new jobs, working in a stronger real estate market and performing a nuanced construction outlook.

According to the latest Building Congress forecast, there will be 28,000 fewer construction workers employed in New York City in 2011. With vacancy rates on the rise, it's important to rethink how the city does business. With the rise of global competitor cities and the change of the relative role of the U.S. in the world economy, the construction industry has taken a hit. However, by assisting legacy industries and growing emerging industries as well as fostering entrepreneurship, contractors can establish important relationships during tough times that can translate to business down the road.

The annual meeting also included an introduction of new association officers for the 2011-2012 year and remarks by association President, Peter Cafiero, as well as Bruce Ruinsky, Executive Director.

2011 Officers & Directors

Officers	Companies	Titles
Peter Cafiero	Island Painting, Inc.	President
Rad Jelcic	R.A. Target Painting, Inc.	1 st Vice President
Faisal Almahdi	Newport Painting & Decorating Co., Inc.	2 nd Vice President
Dino Erbeli	Mid Manhattan Painting Co.	Treasurer
Todd Nugent	T.F. Nugent, Inc.	Chairman of the Board

Directors	Companies
Arnold Bell	Roebell Painting Co.
John Caruso	JTC Painting
Stuart Feld	Bond Painting
Peter Gisondi	Peter Gisondi & Co.
Jerry Haber	W&W Glass Systems
Michael Levine	L&L Painting Co.
Angelo Lopes	Antovel-Gelberg
JoAnn Sanchez Miano	Carabie Corp.
Randy Pearlman	Albert Pearlman, Inc.
Frank Rasizzi	Hemlock Associates, Inc.
Gordon Roth	Roth Painting
Peter Silverstein	Herman Levin Dec.
Neil Singh	Fine Construction Specialties
David Stross	Premium Painting

Alternate Directors	Companies
Peter Culkin	Sherry Hill
David Zack	Zack Painting Co., Inc.



Exposure Draft – Transparency at a Cost

Multiemployer plans are sponsored by two or more companies that employ workers in a common industry and geographic area who are covered by a collective bargaining agreement. If a company decides to withdraw from a multiemployer pension plan that is not fully funded, the company may be obligated to pay the plan a portion of the underfunding. This obligation is called a withdrawal liability assessment.

FASB has stated that it intends to issue a separate exposure draft that will expand the information that companies who participate in multiemployer pension plans must disclose in their financial statements, such as estimates of the potential withdrawal liability assessments for which the company would be liable should it cease participation in the multiemployer plans of which it is a sponsor.

Under current law, each employer is entitled to receive an estimate of its withdrawal liability each year, although in practice a very small percentage of companies actually make such a request. Many large companies participate in dozens of plans, and some participate in hundreds of plans. If the accounting requirements dictate that all companies must request estimates of their potential withdrawal liability annually, these companies will face a very large administrative burden if they are required to request, interpret and report their potential withdrawal liability assessments from all the plans in which they participate. When judged together, the burden placed on the company may not justify the additional information that is made available to the readers of the financial statements. FASB has held the plan to require disclosure of potential withdrawal liability in abeyance pending further review.

Collective Bargaining Update: 2011 Negotiations

The Association has started the process of working with District Council No. 9 on the next collective bargaining agreement with District Council 9 in preparation for the contract's expiration in April 2011. The Association will keep you apprised of the progress of these discussions.

Don't Sign Your Rights Away

By Anthony P. Carlucci, Jr.; Welby, Brady & Greenblatt, LLP

In these difficult financial times, it is important for subcontractors/suppliers to pay attention to lien waivers, lien releases and retainage reduction release forms that you may be asked to sign in exchange for long overdue payments. Many release forms, even those for partial payments, contain language which is very broad, indicating that the subcontractor/supplier is releasing and forever discharging the general contractor and owner from all claims, etc. that the subcontractor/supplier ever had, now has, or which its successors or assigns hereafter could, shall or might have, etc.

These types of forms are often executed by subcontractors/suppliers under the threat of non-payment without considering the consequences. In later attempts to receive payment for contract or additional work or claims, broad form releases can be used as a basis for non-payment or as a defense to mechanic's lien filings. Courts in the

State of New York have upheld broad form lien waivers and releases barring recovery for work actually completed and using those releases as a basis to discharge mechanic's liens.

The lesson here is to avoid, as best you can, getting yourself or your company into this type of situation. There are ways to establish what it is you are releasing and what you are not releasing. The solution sometimes only requires a very small modification which may not be objectionable to the contractor or owner. To decrease your chances of finding yourself in a situation of having to argue over the meaning of a lien waiver or lien release or retainage reduction release, or any other release, consult with your construction attorney before executing the document.

The State of the Industry—And What We Intend to Do About It

Economic Recovery PLA Work Requires Union Bidders

The Economic Recovery Project Labor Agreement (PLA) has helped to shape the future of the unionized construction industry in New York City and is serving as a national model for labor-management cooperation. The Economic Recovery PLA also provided the basis for the development of a public PLA with the City of New York.

City-Wide PLA Covers \$5.3 Billion in Public Projects

On November 24, 2009, Mayor Michael Bloomberg announced a Public PLA covering 14 city agencies, worth \$5.3 billion in public projects over the next four years. An estimated \$300 million in construction cost to be saved under this agreement were to be reinvested by the City in additional infrastructure projects creating an additional 2,000 construction jobs. There is a great need for union subcontractors to bid on this work and we must assure that there are enough qualified union painting contractors to bid these projects. Many of you also know that the School Construction Authority renewed its prior PLA for Capital Improvement, Renovation and Rehabilitation for an estimated \$2.5 billion worth of projects that should also be bid on by Association members.

City Memorandum of Understanding

Finally, in conjunction with the Citywide PLA, through a Memorandum of Understanding, the City is required to issue a directive that contractors awarded contracts not covered by the City PLAs:

- Have apprenticeship agreements approved by New York State Dept. of Labor
- Must demonstrate that apprenticeship programs have 3 years of current, successful experience in providing career opportunity
- Directs city agencies to include this language in bid documents for construction contractors where either:
 - The cost estimate of the contract exceeds \$3 million; or
 - The cost estimate of the contract exceeds \$5 million

We Must Encourage the Use of PLAs

The Association encourages owners, developers and agencies to consider PLAs as a way of securing our future as union contractors but also as a way of ensuring cost-savings in construction in this critical economic time. Please bid this work and do your part in promoting PLAs through New York City.

But the recession will not be solved by PLAs alone, and the challenges faced by Association member painting contractors is greater than the recession. The industry has lost significant market share to its non-union competitors and must work to combat the increased presence of non-union contractors, many of whom are unqualified, unsafe and do not pay prevailing wages. Members of the Association must highlight the value delivered by union painting contractors, ensuring that owners and contractors understand our value proposition, including the following key commitments of our workforce:

- We are working to deliver cost savings in cooperation with our labor partners
- We are innovating to ensure that our workforce has the best possible training and our workforce stays on the cutting-edge
- We are committed to creating saving through first-time quality, eliminating call-backs
- We are committed to leading the industry through education and providing value to our design partners

The above commitments are all ways that we are working hard to ensure that our membership will endure the challenges of the recession and win back market share from non-union competitors.

Association of Master Painters 2011 Meeting Schedule

Meeting	Date	Time	Location
General Membership	Thursday, January 6	9:30 a.m.	Club 101, 101 Park Avenue (at Park Ave and 40th Street)
Annual Luncheon	Tuesday, January 18	12 Noon	Hilton New York (1135 6th Avenue)
General Membership	Thursday, January 27	9:30 a.m.	Club 101, 101 Park Avenue (at Park Ave and 40th Street)
Board of Directors	Thursday, February 3	12 Noon	Ruth's Chris (148 West 51st Street)
General Membership	Wednesday, February 23	9:00 a.m.	Proskauer Rose LLP (11 Times Square)
Board of Directors	Tuesday, March 8	12 Noon	Ruth's Chris (148 West 51st Street)
General Membership	Thursday, April 21	TBA	TBA
Board of Directors	Wednesday, May 18	TBA	TBA
General Membership	Wednesday, June 15	TBA	TBA
Board of Directors	Wednesday, July 20	TBA	TBA
General Membership	Wednesday, August 17	TBA	TBA
Board of Directors	Wednesday, September 14	TBA	TBA
General Membership	Wednesday, October 12	TBA	TBA
Board of Directors	Wednesday, November 16	TBA	TBA
General Membership	Wednesday, December 14 (Election of Officers & Directors 2012)	TBA	TBA

Association of Master Painters and Decorators of New York, Inc.
 50 East 42nd Street, Suite 506 • New York, NY 10017
 Phone: (212) 697-4790 • Fax: (212) 687-4401
 www.masterpaintersny.com

