Halloween 2015 has come and gone. It was interesting during the days leading up to All Hallow’s Eve to hear about the things people are afraid of. Some were obvious, like spiders and snakes. Clowns kind of surprised me. If you are afraid of clowns, I’m guessing someone was cruel to you as a child. But don’t you think all fears are rooted in bad experiences? I do.

Before I get into the meat of this column, here are a few synonyms for afraid. Scared, terrified, timorous and apprehensive. I’m going to use “apprehensive” because “afraid” is just too unmanly.

Do you remember September 29, 2008? The Dow Jones Industrial Average had its biggest one day drop…777 points. The S & P 500 also had its biggest one day drop…107 points. By just about any definition that was a bad experience for just about everyone in this country. The Great Recession that followed has left its mark. Business owners have struggled to keep their doors open since then so it’s no wonder why they are apprehensive. Keep in mind, September 29, 2008 was 84 months or seven long years ago. You really have to play with words and numbers to say the economy is doing good, but then again, there are some who do. I ain’t buying it and I doubt I am alone. Compared to any other recession including the Great Depression of 1929, this has been the longest it’s taken to recover and we still haven’t yet.

So, if you are a signatory contractor and contribute to a defined benefit pension plan that has a significant unfunded vested benefit you should be apprehensive. That UVB causes an amount of withdrawal liability to be assigned to you. When the amount of that liability is, close to, equal to or greater than, the value of your company, you deserve to be apprehensive.

In trying to shine a little ray of sunshine let me say that, this recession created an awareness of just how onerous withdrawal liability is. It’s been around since 1980 and ostensibly was created to act as a hook to keep employers from walking away from the plans. But until 2009-10 few contractors had any idea there even was such a thing. You see, that’s because the plans were well funded and that was because the economy produced growth and good returns on the investments the plans had made. There was no reason to be apprehensive of withdrawal liability back then. All was right with the world.

The awareness of the negative effects of withdrawal liability by some defined benefit plan trustees has led to responsible but not easy decisions being made. Those trustees are to be commended for their fearless leadership and the determination not avoid unpleasant discussions. What’s really interesting to me is that there is a direct correlation between the health of a plan and its unfunded vested benefit. Plans with little or no UVB are in a better position to fulfill the retirement promises they have made to the participants.

Conversely, plans with huge UVB’s are shaky. By definition they are not well funded, therefore, they are more susceptible to another downturn in the economy. I refrained from saying a “sudden downturn” because this isn’t 2008.
MANAGER’S COMMENTS CONTINUED

We’ve spent the last seven years in an economic ma-
laise so a downturn now or in the near future surely
wouldn’t be considered “sudden” or even unexpected.

But the irony here is that the 1980 withdrawal liability
idea was implemented to keep employers in the plan,
now it’s acting as a deterrent for new employers to
join the plan. I don’t know but that can’t be good for
the participants of these plans. It sure makes it tough
for a Chapter Manager like me to encourage anyone
to sign a letter of assent to an agreement that has a DB
plan with a significant UVB.

Since Thanksgiving will be here before you know it, I
want to say that I’m thankful to be a trustee on a cou-
ple of DB plans with other trustees who aren’t afraid,
oops I meant apprehensive, to address withdrawal
liability. It is certainly a subject worthy of apprehen-
sion but not neglect.

NEW MEMBER

The Greater Cleveland Chapter would like to welcome
RWJ Wiring as a member of the Cleveland Division.

Mr. Michael Ballard is their accredited representative.

WEBSITE

The long wait is over. The Greater Cleveland Chap-
ter’s new website is now officially up and running.
We will spare you the long walkthrough, but we hope
that you will visit the site and offer us some of your
thoughts and feedback. We are excited about the new
features and layout of the site and will continue to
improve it with future iterations. Coming soon we are
looking into mobile compatibility/application and also
are looking into an interactive map that can show ex-
actly which jurisdiction a specific project falls under.

NATIONAL CONVENTION

Review by Jeremy Ryan:

As a first timer at the National Convention, it is
obvious why NECA’s Trade Show and Convention is
the premier gathering of electrical contractors in the
world. Let’s start with the stellar trade show which
highlighted some of the cutting edge technology in
construction. A month later, I am still constantly
thinking about the many ways that the industry will
likely change/improve with the rapid improvement in
virtual reality technology. Next, there is a whole
wealth of knowledge to be acquired by attending the
classroom seminars that span from construction
management, to leadership development, to succes-
sion planning and more. Third, with contractors of all
sizes and specialties from around the country in
attendance, the ability to network can have profound
and unexpected benefits to your business. I am not
just being overly complimentary either. There is a
reason that this is the biggest gathering of electrical
contractors each year and continues to grow.
ECONOMIC NEWS OF THE DAY

1.) Speaker John Boehner passed the gavel to Paul Ryan, the House Ways and Means Chairman to be the next Speaker of the House. Sam Johnson R-TX will replace Speaker Ryan for the time being serving as the interim chairman of the House Ways and Means Committee.

2.) Sherwin Williams has released the world’s first ever bacteria-killing paint. This product is expected to make big waves in the healthcare facilities across the country. The product was developed start to finish right here in Cleveland.

3.) Pharmaceutical giant Walgreens purchased Rite Aid, increasing Walgreens market of 31% by an additional 10%.

4.) The Federal Reserve released a statement on October 28th that it would kick the can further down the road and leave its interest rates near 0%. The feds kept open the possibility of raising them in December.

5.) German Auto Maker, Volkswagen, posted its first quarterly loss of the 21st century at 1.8 billion dollars, due to its recent emissions cheating scandal.

6.) The price of copper remains low at $2.31 per pound.

7.) The Kansas City Royals won the MLB World Series. Last years’ World Series champions, the San Francisco Giants each received a bonus of $388,600 for winning the series.

8.) The Halloween spending forecast for 2015 is expected to be $6.9 billion. Broken down this figure include $75 per person on average for costumes $350 million on pet costumes and $2.1 billion on candy. Don’t forget about the dental bills afterwards!

9.) CNBC hosted the third GOP Presidential debate. Despite the amount of criticism regarding the moderators performance the debate reeled in 14 million viewers and a number of advertisements at $250,000 a piece. This made the program the most watched, and most profitable program in CNBC’s 30+ year history.

MANHOURS

Cleveland Division thru September: 2,103,728
Lake Erie Division thru September: 407,783
Northeast Ohio Division thru September: 307,167
Chapter Total: 2,818,678

UPCOMING EVENTS

1.) Code Class—Saturday, November 7th—7:30 AM. Crown Plaza Hotel, Rockside Road, Independence.
2.) Holiday Party—Saturday, December 5, 2015-Ritz Carlton Hotel.
3.) Lake Erie Division—January 5, 2016—TBD.
4.) Northeast Ohio Division - January 6, 2016—Red Hawk Grille,
5.) Cleveland Division Meeting— January 7, 2016—TBD.
6.) General Membership Meeting _ February 2016. Date and location TBD.
7.) 2016 Eastern Region Spring Meeting—April 17-20, 2016 in Paris, France.

8.) The Electrical League of Ohio and Stark Safety Consultants are putting on a two day event for NFPA 70E-Electrical Safe Work Practices on November 9th and November 10th. On November 12th there is a four hour Train the Trainer Course to evaluate Electrical Safe Work Practices Personnel.

All three days of classes will qualify for OCILB and CEU license credits as well. To sign up follow the link http://www.starksafetyconsultants.com/events/ksu2015 and use the Code 4408.
ELECTRICAL TRAINING ALLIANCE AND NECA PREMIER PARTNERS

ELECTRICAL TRAINING ALLIANCE PARTNERS

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Southwire Company
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LOOK FOR THE NEXT REVIEW IN DECEMBER!