



PLUMBING-HEATING-COOLING
CONTRACTORS ASSOCIATION
Best People. Best Practices.

2018-2019 Annual Report

PLUMBING-HEATING-COOLING CONTRACTORS NATIONAL ASSOCIATION

WE MEAN BUSINESS

PHCC is built on a commitment to the plumbing-heating-cooling industry...providing the best education, advocacy and connections for our members; advancing the industry as a whole; securing the health, safety and comfort of society; and protecting the environment.

When it comes to helping you maintain high standards, safeguarding your interests, connecting you with a powerful network, and ensuring that you have everything you need to succeed...we mean business.

Here's a glimpse of our top accomplishments in 2018-2019...

2018

NOVEMBER

- ➔ **Formed an Education Corporate Partnership with the International Code Council (ICC).** Continuing PHCC's code-neutral position to help the industry gain access to the broadest and best training resources – regardless of what code may be adopted in a jurisdiction – this partnership helps PHCC provide training opportunities from ICC, in addition to those from IAPMO and NSPC.
- ➔ **Focused on safety,** with resources like a free Winter Driving Safety Webinar from Corporate Partner Federated Insurance, followed by regular crucial reminders from OSHA – from fall prevention resources and information on respirable crystalline silica to hurricane preparedness tips and ways to keep your workers safe in the heat.

2019

JANUARY

- ➔ **Celebrated the kick-off of the third year of the popular *PHCC Solutions* magazine,** as well as the launch of *PHCC Advocate*, a monthly online newsletter to keep members informed on the latest legislative, regulatory and code news.
- ➔ **Ramped up online legislative resources for members and chapters,** expanded the online tracking system of state legislative and local ordinance information, and offered lobbying assistance and an online toolkit for state and local chapters to use to set up state capitol fly-ins.

- ➔ **Helped members from coast to coast prepare their businesses for the future** during CONNECT 2018 in Albuquerque, New Mexico, which was co-located with Refrigeration Service Engineers Society's Conference & HVACR Technology Expo. PHCC also welcomed the Radiant Professionals Alliance to host a radiant/hydronics education track.
- ➔ **Expanded member benefits** with a new partnership with the GreenSky® Loan Program, giving PHCC members the opportunity to offer customers flexible home improvement financing plans. More new member benefits followed, like an enhanced discount program through ExxonMobil, offering more options for significant fuel savings and management.



- ➔ **Focused on member recruitment with a fall "We Mean Business" membership marketing campaign,** which resulted in more than 100 new members. Our recruitment efforts included the development of customizable brochures for chapters and a digital membership marketing campaign that generated more than 90 prospective membership leads.



- ➔ **Following devastating hurricanes in the south and subsequent wildfires out west, leveraged our Disaster Relief Fund** to provide assistance to members in need. PHCC also offered free resources related to disaster and recovery planning.

- ➔ **Took PHCC's online Plumbing Business Interest Group (BIG) "live,"** adding to the current line-up of the HVAC BIG and Technology BIG online communities that offer specialized information and networking opportunities for PHCC members.
- ➔ **Participated with refrigeration and HVAC industry organizations** on a Safe Transition Task Force to explore changes to alternate environmentally friendly refrigerants and announced the appointment of PHCC Vice President of Regulatory Affairs Chuck White to the Department of Energy's Appliance Standards Rulemaking and Federal Advisory Committee (ASRAC).

OCTOBER

2018

DECEMBER

2018

FEBRUARY

2019

2019

MARCH

- ➔ Offered expanded resources for HVAC contractors, like a free member webinar – The 10-Step Strategy to Profitably Buying and Selling an HVAC Business – just one of the regular webinars presented this year by PHCC’s new Education and Training Department.
- ➔ Began a series of face-to-face meetings with more than 30 congressional offices to ensure contractors’ voices are heard on important issues impacting our industry, including infrastructure, workforce, Association Health Plans, and the Main Street Tax Certainty Act.

2019

MAY

- ➔ Participated in Infrastructure Week (May 13-20), advocating for investments to replace and update our nation’s aging underground water systems. The Protecting Infrastructure and Promoting the Economy (PIPE) Act, the Leading Infrastructure For Tomorrow’s (LIFT) America Act and S.2044 (which establishes an “aging water infrastructure fund”) are some of the bills we are monitoring on behalf of PHCC members.
- ➔ Welcomed Mr. Rooter Plumbing and Aire Serv to our new Franchisor Sponsorship Program, giving PHCC the opportunity to expose more professional contractors to all that PHCC offers and to the value of joining our great association.

PHCC Delivers a Strong, Unified Message to Lawmakers

During PHCC’s 2019 Legislative Conference on Capitol Hill in May, a focused and energetic group of professional PHCC contractors, association executives and industry partners advocated for PHCC members on key issues such as America’s infrastructure needs, a regulatory environment that promotes fair competition, and affordable health care access for small businesses through Association Health Plans.



PHCC Gets a Seat at the White House Table to Discuss Infrastructure, Workforce Challenges

During summer 2019, PHCC met with the Trump administration staff on two occasions to discuss infrastructure and workforce matters in an attempt to lay the groundwork for another industry summit at the White House with senior officials. In addition, PHCC signed the White House’s Pledge to America’s Workers (see July 2019) and joined the U.S.-Mexico-Canada Agreement (USMCA) Coalition, a stakeholder group formed by both the U.S. Chamber of Commerce and the National Association of Manufacturers.

- ➔ Increased awareness of benefits available to PHCC members by unveiling a new special Member Benefits Update email, the first one detailing how PHCC is protecting contractors’ businesses with our diligent Advocacy efforts.



- ➔ Joined the High-Performance Building Coalition, supporting legislation and policies that protect life and property, promote innovative building technologies, increase energy and water efficiency in the built-environment, and enhance U.S. economic competitiveness.
- ➔ Encouraged members to leverage Distracted Driving Month activities to secure their employees’ safety, with special emphasis on the need for policies that prohibit employees from using their cell phones while driving.

- ➔ Published an updated edition of the PHCC history book, *A Heritage Unique* – with new highlights from 1999-2018 and available in both print and digital formats – in tribute to the contributions that PHCC members have made to our industry throughout the years.

- ➔ Provided free, customizable graphics that reinforce the importance of hiring professional contractors by releasing new “Hire a Professional” graphics, which PHCC members can access in the Member Resource Library of phccweb.org and download and display on their website, printed materials or on branded t-shirts.



2018-2019 PHCC Vice President Hunter Botto speaks at the Plumber’s Rally in Texas.

PHCC Comes Together to Fight for Licensing PHCC’s power of collaboration was on full display at the June 2019 Plumber’s Rally in Austin, Texas. Representatives of PHCC – National, PHCC of Texas and PHCC members from across the nation joined the thousands of plumbers at the Texas State Capitol to voice unified support for preserving the state plumbing board. Just before the rally, the governor of Texas granted the state’s licensing board a two-year extension. PHCC continues to fight for regulatory oversight, paying close attention to licensing issues in other parts of the country.

APRIL

2019

JUNE

2019

Timeline continued on next page



2019

JULY

- To help narrow the crucial skills gap in our industry, PHCC signed the White House's Pledge to America's Workers, committing to leverage our PHCC Educational Foundation curriculum and our chapter partners to train up to 75,000 apprentices over the next five years.
- Joined the Skilled Trades Coalition, combining forces with other professional partners, White House, Congressional and Regulatory agency representatives to "accelerate the pace of problem solving for shared focus areas such as skilled trades advocacy, workforce gap awareness, trade school curricula and funding."



- Illustrating a commitment to professional growth, 21 state and local chapter executives attended a successful Association Executives Council Spectrum Forum in San Diego.

2019

SEPTEMBER

- Expanded the partnership of Bradford White Corp. to PHCC's highest level – a new Strategic Partner category. This new recognition acknowledges the company's 40-year commitment to PHCC.
- Welcomed Rheem as a new HVAC partner, strengthening Rheem's support of several PHCC programs, including the HVAC apprentice contest and educational offerings.
- Earned approval as a NATE testing organization, a valuable discount to PHCC chapters that offer the North American Technician Excellence (NATE) testing.



- Supported a successful Gas Industry Petition seeking to keep non-condensing gas furnaces and commercial water heaters in the marketplace.
- Partnered with the PHCC – National Auxiliary to launch a new Auxiliary website, full of up-to-date information and resources. In addition, the Auxiliary kicked off its year-long 100th anniversary celebration in October at PHCCCONNECT2019 in Indianapolis, Indiana, where it unveiled five inspirational videos raising awareness about career opportunities for women in the industry.



- Equipped more than 900 attendees with valuable takeaways on everything from analyzing data to maintaining professionalism at PHCCCONNECT2019 in Indianapolis, Indiana.
- Signed an education agreement with DeVry University, giving PHCC members access to a full suite of professional online education options at a partner group tuition rate and potential to earn a degree.

PHCC Continues Its Push on Apprenticeship Issues

PHCC Government Relations Committee Chair Steve Schaefer and PHCC's Regulatory Affairs staff met with the Department of Labor (DOL) to discuss apprenticeship issues, part of ongoing engagement with the DOL to increase awareness of apprenticeship as a career path. We also continued talks with DOL officials to seek release of the Department's pending guidance on apprentice programs. Many PHCC chapters are expecting that the guidance will enable contractors to adjust the apprentice to journey worker ratio.



AUGUST

2019

OCTOBER

2019

Looking Ahead

When it comes to giving our members the power to succeed, PHCC means business! Looking ahead, we have even *more* exciting initiatives underway that focus on membership growth, expanded communications, education opportunities, and greater collaboration with other trade associations. With these efforts, we continue to take on critical challenges, including workforce development, apprentice ratios, unfair utility competition, an aging infrastructure, the growing number of Legionella outbreaks and other difficulties impacting PHCC members.

We need you to actively participate in PHCC's campaign to change the trajectory of this great industry. If you are a member (thank you), then please recruit a member who can be an integral part of this important movement to protect professionalism. As Joel Long of GSM Services in Gastonia, North Carolina, and new PHCC National Vice President proclaimed: "PHCC has the best opportunity to change the future...so let's go make a difference!" There is power and influence in numbers, and **the bigger that PHCC grows, the more meaningful our movement becomes.** We encourage members like you to "tell your story" and enlist others to proactively protect this great industry and the health and safety of the nation.

PHCC'S ENHANCED SERVICE GROUPS

Being a PHCC member provides you with many resources and multiple opportunities to network with your peers. PHCC also gives you access to more targeted Enhanced Service Groups, designed to meet the specialized needs in your industry segment. Get involved, and gain greater market insight into the specific challenges these segments face with additional networking opportunities and valuable member-specific information as shown below:

Construction Contractors' Alliance (CCA)

CCA currently serves a group of 24 progressive, larger plumbing and mechanical contractor companies specializing in residential, industrial, commercial and institutional new construction.



This year CCA's open and interactive spring meeting focused on improved communications. Leading the group through the methods, tools and importance of being able to hold "Crucial Conversations," presenter Beth Wolfson artfully demonstrated how and why difficult conversations should be held. CCA also held its peer-to-peer late spring Middle Managers Meeting in Madison, Wisconsin, hosted by CCA Board of Trustees member Ryan Hanna with Dave Jones, Inc. The thought-provoking fall meeting for CCA featured varying opinions on current and future economic trends. Presenters included Alan Beaulieu, known as "one of the nation's most informed economists," and Bradford White CEO Bruce Carnevale.

Quality Service Contractors (QSC)

QSC helps service and repair contractors run their businesses efficiently and profitably, serve their clients more personally, enhance their brand reputation, and meet the challenges of an ever-changing world. QSC does this by providing expertly orchestrated business coaching, events, education, ready-to-use tools and resources, and networking opportunities. Highlights this year included the update of the QSC website, the hiring of new Business Coach Franc Exley, and the addition of new benefits and programs such as online business education provided via a partnership with DeVryWORKS. QSC's annual Power Meeting was held in Kansas City, Missouri, where 145 attendees learned how to fine-tune their communication skills and hone their abilities to engage in effective and "fierce" conversations as presented by Fierce™ Master Facilitator Luis Gonzales. QSC Coaches exceeded all expectations for their in-person and virtual coaching sessions with QSC members during the



year. They were given the opportunity to further demonstrate their coaching skills during QSC@CONNECT in Indianapolis, Indiana, in October by delivering interactive roundtable discussions and business skills presentations. Additional courses included topics such as "Hearing is Not Enough" and "Inventory Control Basic Training."

Union-Affiliated Contractors (UAC)

UAC provides a unified voice for the signatory contractors within PHCC. It is comprised of signatory contractors, association executives, and representatives of the United Association (UA) committed to addressing the special concerns of union-employing contractors and improving the working relationship with the UA. In January, new UAC Program Director Tim Penno was hired. In March, the UAC held its inaugural Management Conference in Chicago, Illinois; this exclusive educational and networking event featured interactive sessions on successfully negotiating contracts, workplace safety, prevailing wage rates and legal issues. In August, the UAC trustees attended the UA's Industry Day to learn how the UA trains its trainers, to interact with local UA business managers and national leadership, to view mobile classrooms and to watch apprenticeship piping contests. In the late summer and fall, Penno visited several local PHCC chapters to build relationships and recruit new UAC members.



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BALANCE SHEETS

as of June 30, 2019

| | <u>2019</u> | <u>2018</u> | <u>Change</u> |
|--|---------------------|---------------------|------------------|
| <u>ASSETS</u> | | | |
| <u>Current Assets</u> | | | |
| Cash – Checking & Savings | \$ 863,440 | \$ 710,072 | \$ 153,368 |
| Accounts Receivable | 120,459 | 105,433 | 15,026 |
| Prepaid Items | 124,575 | 127,628 | 3,053 |
| Other – Intercompany | 96,272 | 198,206 | 101,934 |
| TOTAL CURRENT ASSETS | 1,204,746 | 1,141,339 | 273,381 |
| Investments at Market Value* | 3,353,798 | 3,249,845 | 103,953 |
| Fixed Assets–Net | 919,772 | 988,850 | 69,078 |
| TOTAL ASSETS | \$ 5,478,316 | \$ 5,380,034 | \$ 98,282 |
| <u>LIABILITIES AND NET ASSETS</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable & Accrued Expenses | \$ 271,257 | \$ 268,824 | \$ 2,433 |
| Deferred Membership Dues & Other Deferred Income | 1,649,041 | 1,428,182 | 220,859 |
| TOTAL CURRENT LIABILITIES | 1,920,298 | 1,697,006 | 223,292 |
| <u>Net Assets</u> | | | |
| Unrestricted | | | |
| Undesignated | 3,087,118 | 3,221,128 | 134,010 |
| Board Reserve | 200,000 | 200,000 | – |
| Building Reserve | 250,000 | 250,000 | – |
| Total Unrestricted Net Assets | 3,537,118 | 3,671,128 | 134,010 |
| Temporarily Restricted Net Assets | 20,900 | 11,900 | 9,000 |
| TOTAL NET ASSETS | 3,558,018 | 3,683,028 | 125,010 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 5,478,316 | \$ 5,380,034 | \$ 98,282 |

Consolidated with PHCC Enhanced Service Groups.

*Change due to market fluctuation.