

# TILE CONTRACTORS ASSOCIATION OF HAWAII

## 2012 COLLECTIVE BARGAINING AGREEMENT 2014

The Collective Bargaining Agreement with our union (Masons Union Local 1/ Local 630) will be up for renewal in September 2014. We feel it is imperative that we receive the member's ideas, recommendations, concerns and all input prior to the negotiations with the union. We would like to hear from our signatory members and start the process of accumulating important items to place on the table for negotiations.

Please send your comments to Lisa Kim at [lisaakim@hawaii.rr.com](mailto:lisaakim@hawaii.rr.com). We will also be creating a committee to discuss your comments and develop a presentation to the union which will incorporate the information we receive from our members. We will be contacting you to request your participation on this committee.

## MEMBERSHIP MEETING

The next Tile Contractors Association of Hawaii Membership Meeting will be held on Tuesday, November 5, 2013 at the Kabuki Restaurant in Waimanu at 12:00 p.m.

## PACIFIC BUILDING TRADE EXPO

We are pleased to announce that the Tile Contractors Association of Hawaii will once again have a tile pavilion at the 14<sup>th</sup> Annual Pacific Building Trade Expo by the AIA/CSI at the Hawaii Convention Center on Wednesday, November 13, 2013. We are delighted to have 12 member booths. Our participation assists in perpetuating our industry while showcasing the ever changing products that our tile suppliers feature. This year, we will be distributing 9300 *Contractor* which is a quarterly newsletter from the Tile Contractors Association of America. Earl Maicus of Schluter Systems will also be a guest speaker with a presentation on moisture management. Each year, several thousand architects and decision makers walk the aisles of this prestigious expo which continues to be sold out.



## NEW STATE BUDGET

The new state budget that was passed by the 2013 legislature and governor has resulted in \$11.8 billion dollars in expenditures in 2014 and \$11.9 billion for 2015. The Capital Improvement Project (CIP) budget is \$2.2 billion in 2014 and \$844 million in 2015.

## UNION TRAINING MENU FOR MEMBERS

The Masons Union Local 1/Local 630 provides training as needed for companies or when members can obtain at least a minimum of 8 to 12 employees depending on the type of training. They will also do management training by request from the associations. In the past, they have done association training in productivity, understanding generations, communication skills and various safety topics. To obtain the training menu, please go to [www.tilehawaii.com](http://www.tilehawaii.com) and click on the *Benefits* tab. Please then click on the *Hawaii Masons Union Training Menu* tab on the left side of the page. To schedule a training session, please contact Allan Los Banos at [masonhawaii@yahoo.com](mailto:masonhawaii@yahoo.com).

1440 Kapiolani Blvd., Suite 800 • Honolulu, HI 96814  
Phone: 808-441-8600 • Fax: 808-441-8750  
[www.tilehawaii.com](http://www.tilehawaii.com)

# TILE CONTRACTORS ASSOCIATION OF HAWAII

## 2013 LEGISLATIVE NEWS

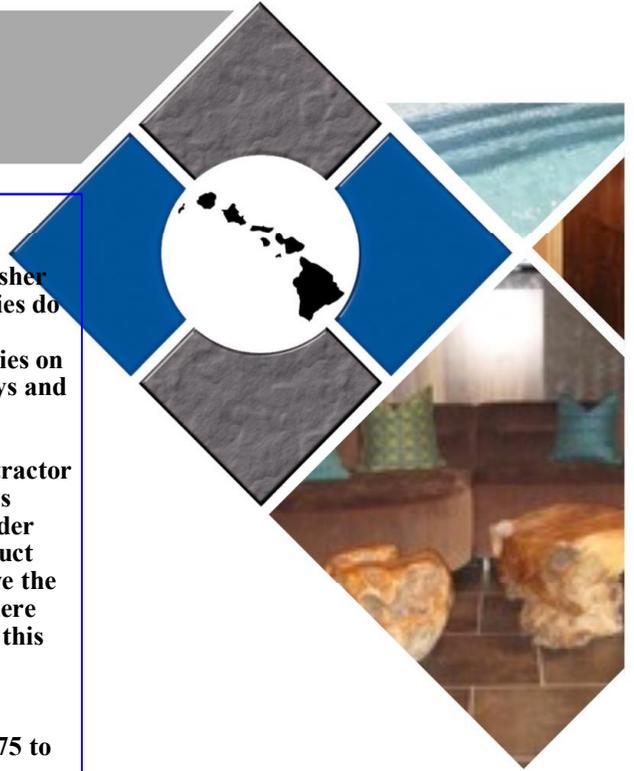
H.B. 1202 Relating to Business which was established in 2012 and imposes harsher penalties for unlicensed contractors. This bill states that those licensing penalties do not apply in the instance where the licensed contractor inadvertently failed to maintain their license. The new verbiage of this bill does not impose the penalties on a licensed contractor as long as they renew their license no more than sixty days and that they would not be guilty of unlicensed contracting.

In 2011 a new law stated that the prime must pay on the gross and the subcontractor must pay the GET on what he receives. This was defined as the subcontractor's deduction being suspended and this resulted in the GET being paid twice! Under the old law, the prime contractor could pay the GET on the total and then deduct the amount of GET paid to the subcontractor. The subcontractor would receive the net and this formula resulted in the GET being paid only once. Fortunately there was a sunset clause in this bill, so in 2013, a two year sunset law was placed on this bill which the deduction is no longer suspended and is a win for our industry.

### *Bills That Did Not Pass:*

**Minimum Wage**—This bill would have increased the minimum wage from \$7.75 to \$9.00.

**GET Increase**—This bill would have increased the tax to 5% and earmark 1% for education measures.



## PORCELAIN REPRODUCTION OF QUARTZITE FROM TILE WAREHOUSE



A popular selling item is a porcelain reproduction of quartzite. The tiles are consistent in thickness and texture but the glaze is sprayed on the surface which allows a lot of variation in the prints of the tiles. Stone tiles versus the ease of installing a manufactured tile and its maintenance benefits allow for an attractive, long lasting product. The other advantages include test results and ratings. Some of the tiles are also measured using the "German Ramp Test" which is not a U.S. standard but provides a good result on the suitability of tiles in wet environments. These tiles are being sold in the commercial, residential, and hospitality markets and can be used both indoors and outdoors.



1440 Kapiolani Blvd., Suite 800 • Honolulu, HI 96814  
Phone: 808-441-8600 • Fax: 808-441-8750  
[www.tilehawaii.com](http://www.tilehawaii.com)

# TILE CONTRACTORS ASSOCIATION OF HAWAII

## 2013 SENATE REQUEST FROM THE CONTRACTORS LICENSE BOARD

We are pleased that under Chapter 444, HRS (Senate Concurrent Resolution No. 84, S.D. 1) the Senate asked the Contractor License Board (CLB) to review the criteria, requirements and procedures for A, B and C licenses and has requested a comprehensive evaluation of each classification. This is a positive step at protecting our C-51 tile contractors and vendors from not losing jobs to the General Contractor. **Below are excerpts from our response to the CLB~** The Tile Contractors Association of Hawaii, represents the tile industry in the state and all C-51 tile contractors and vendors. We will keep to the point and address those concerns which are primary to our association and community as it relates to the C51 specialty license as follows:

Of primary concern, the C5 license (cabinet & millwork) is too broad and being interpreted to allow ceramic tile as well as other trades work for remodeling projects. This is all construed under the term "incidental" which by definition is *minor, incidental, or subordinate*; and "supplemental" which is *additional*. The C5 has morphed into a catchall interiors renovation license that gives the ability to self-perform work using unskilled, out-of-state workers, or non-union work force. Businesses that have worked many years to develop as a C51 tile contractor now must compete with improperly licensed (C5) companies using unskilled labor to perform skilled work. It sets up for failure and circumvents the ability for maintaining qualified workers and puts the public at risk. Here's an example of how the C5 is used in the real world: Company A from Seattle, company B from Texas, and company C from Florida have their "B" or C5 license and bid for the remodel of a hotel, timeshare, condo, etc. They are in the hospitality industry and they are "refurbishing" the interiors. New cabinets and some millwork trim and it needs to be painted and we have a small little tile back-splash. .but in reality the project includes new tile floors at the bathrooms, new shower floors & walls, ADA modifications, waterproofing, new stone counters at the vanity and kitchen, and the backsplashes are all tile and lets add some tile out on the lanai too. Did we mention that this was all incidental to that new cabinet?

Let's see how this affects the community and the state: probably not collecting any GE Tax, no income tax from employees or local businesses, and paying unemployment to our people that are not working, but the state does collect rental car fees and bottle deposits.

In its current definition, we are opposed to granting a C5 license as an automatic to the B license. The C5 license must be limited in scope. A clear definition of "incidental" must be shaped and documented. These limitations and definitions must not only be applied to the scope, percentage, or dollar value, but the type of projects being performed. Tile work must be done by licensed C51 contractor and must be required on all commercial, multi-residential, resort, or other projects that involve more than one unit. The C5 should get back to its original intention of residential work that is not exposed to public or private commercial use.

We have fought as an industry throughout the country to maintain a standard of installation and trade practices to insure that failures are minimized and consumers, both residential and commercial, and the public have a product that performs as intended for many years. . There are a myriad of finish and setting materials that must be considered to have systems perform as intended. The C51 contractor has skilled tradespeople with training and understanding of these products through apprenticeship programs and professional certifications. Why should this be left as incidental and supplemental to a remodeling contractor?

We do not want to leave these decisions to those that are not qualified and licensed. Keeping tile licensed to earned and applied C51 contractors is the only way to protect the public's health, safety, and welfare, and protect a major industry from harm. Any decision to allow this work under any other classification would be careless and misguided.

As a final to this report and part of your evaluation of the C51, it may be time to refine the license definition as follows:

### *C-51 Tile Contractors*

*To install Hardtile surfaces of ceramic, stone, porcelain, and other tiles to floors, walls, ceilings, and counters on both exterior and interior locations using appropriate bonding adhesives, mechanical fasteners, or other industry approved means and to prepare substrate of backer boards, mortar bed, tile specific membranes for waterproofing, crack isolation, caulking, grout, related setting components, and other incidental work in accordance with industry standards.*