



2019-2020 Annual Report

PLUMBING-HEATING-COOLING CONTRACTORS NATIONAL ASSOCIATION

A COMMITMENT TO PROFESSIONALISM

Challenging times this year only reinforced the call in our industry to maintain high standards.

As a pandemic disrupted our plans, PHCC honored our long-held tradition to protect our members, their employees, their families, their communities.

We launched into action with resources, templates and updates. We advocated to secure business-friendly legislation. We pledged to train new workers. We facilitated the sharing of best practices among our members.

We stayed true to our commitment to advance the plumbing and HVACR industry, to educate and advocate for all those who work within it, to safeguard our society, to protect our environment.

Here's a glimpse of our top accomplishments in 2019-2020...

2019

DECEMBER

- PHCC helped members prepare for 2020 by offering new, relevant resources, including those on family and business succession planning from Corporate Partner Federated Insurance. For the first time, it also made recordings of CONNECT educational sessions available after the event to continue the learning.



The People of PHCC: Featured in the Winter edition of PHCC's Solutions Magazine

The people and professionalism behind our association were featured in the winter issue of PHCC's Solutions magazine, with the center spread offering testimonials from professionals throughout PHCC's history (from 1885 to today). You could hear the pride in their voices!

- PHCC President Jonathan Moyer shared PHCC tools and practices members can use to "raise the bar" in maintaining high professional standards and strengthening their reputation.
- To enhance the value of PHCC membership, PHCC offered members the opportunity to customize the type of information they would like to receive from PHCC—National through a new Communications Preferences web page.



- To increase member access to relevant industry partner education, PHCC created a special online gateway to contractor training opportunities.

2020

FEBRUARY

- PHCC President Jonathan Moyer began his first full year in office sharing his passion to work to protect professionalism. He encouraged members to "get out there and sell the industry," to help improve the image and reputation of the p-h-c contractor.
- The association introduced several timely educational resources, including two new webinars, one on digital strategies and another on how current legislative and regulatory activity is impacting small business.

- PHCC completed a "We Mean Business" digital campaign via Facebook, producing numerous membership leads and website impressions and building awareness of PHCC.



At an exclusive ceremony at the White House, PHCC and the PHCC Educational Foundation committed to train 75,000 people through its plumbing and HVAC apprenticeship programs.

- As the HVACR industry continued the transition to low-GWP refrigerants, PHCC offered articles, regulatory updates and education programs, including a webinar – "Beyond 410A" – on the latest refrigerant options.
- PHCC elevated long-time Industry Associate A. O. Smith Corporation to an Executive Sponsor level, a new category for PHCC's industry partners and major sponsors.

COVID-19 Hits ... and PHCC Immediately Responds

By mid-month, COVID-19 shifted everyone off course, and PHCC adjusted the sails to be a safe harbor for our member businesses, helping them work through all the unexpected challenges they were dealing with as contractors, employers and servants in their communities. We immediately developed a COVID-19 Resource Center, offering:

- Resources for contractors, including those from OSHA, the CDC, industry partners, and insurance and legal experts, as well as customer templates that members could customize for communications with their own clients.
- Specific resources for PHCC chapters.
- Online ContractorsTalk, where members could ask questions of their peers and post their own tips on how they're handling business issues related to the pandemic.
- Ongoing updates of PHCC office operations, as well as news and events impacted by COVID-19.

PHCC and its members also advocated at the federal and state levels to have plumbing and HVAC professionals classified as *essential* infrastructure workers.

Throughout this time of drastic change and uncertainty, PHCC staff and volunteer leaders remained up and running, thanks, in part, to very wise investments in technology made by PHCC leaders. In fact, PHCC—National staff *increased* regular communication with members. As an example, officers recorded regular video updates to members, reminding them of the many resources available to them and reinforcing that the association was here to help.



NOVEMBER

2019

JANUARY

2020

MARCH

2020

2020

APRIL



2020

JUNE

- Among other samples and templates, PHCC created an ESSENTIAL graphic that members could post on social media, their websites, or in their offices.
- PHCC identified and shared resources for hard-to-find Personal Protective Equipment, including face masks.
- PHCC activated its Disaster Relief Fund to provide immediate assistance to members in need as a result of COVID-19.



- PHCC continued updating its COVID-19 Recovery Center with timely resources, including four new webinars: connecting with customers in a "new normal," the impact of COVID-19 on labor relations, best financial practices to help companies recover, and how to raise your online presence.
- To help chapters and members have access to important crisis planning resources, PHCC posted a customizable version of its Crisis Action Plan to the Member Resource Center at phccweb.org. A sample pandemic action plan and model for COVID-19 staff training soon were added to the library of sample resources.
- In recognition of the struggles caused by the pandemic as contractors continued to recover, PHCC announced that National membership dues would remain flat for 2021 instead of reflecting the usual annual adjustment.
- PHCC continued to make great strides in workforce development and saw enrollment in the Foundation's Pre-Apprentice Training Program more than double in growth! In an effort to promote our essential industry and attract the millions of newly unemployed people looking for their next line of work as a result of the COVID crisis, the Foundation offered its Pre-Apprentice Training free of charge through the end of the year.
- With the health and safety of attendees, staff and the public top of mind during a global public health crisis, the association announced it would offer PHCCCONNECT2020 in a virtual format. Previous technology investments by PHCC helped make this a smooth transition, and, fortunately, PHCC was able to negotiate little or no financial penalties for this and other events that were either postponed or canceled because of COVID-19.



PHCC's COVID-19 Response Webinar Series

By April, PHCC began offering a valuable COVID-19 Response Webinar Series for live and on-demand viewing. Initial topics included "Where's My Money?!" to help members apply for PPP loans and economic disaster relief funds, "Cash and Cash Flow Budgeting in Times of Crisis," and "4 Ways PHCC Members Can Use Web Marketing to Combat the Coronavirus Impact." This popular series continues to provide timely webinars that are free to PHCC members.

- As different parts of the country adopted a phased approach to economic and physical recovery, PHCC transitioned its COVID-19 Resource Center to a Recovery Center, where the association continues to add new resources, such as customizable safety flyers and customer messaging, updates on federal relief legislation, and articles on how businesses are reimagining their workspaces.
- PHCC—National conducted its first virtual Board of Directors meeting, providing a forum for board members from across the country to address association business online via Zoom technology. While the May Legislative Conference was canceled because of COVID-19, PHCC's advocacy team presented important updates to the board during the online meeting.

PHCC Advocates on COVID Relief Priorities

As member contractors continued to face challenges in their businesses, PHCC undertook strong advocacy efforts to secure business-friendly legislation, including the Paycheck Protection Program (PPP) and subsequent extension, which helped many business owners keep their companies afloat and their employees on the payroll. Using video and PowerPoint presentations, PHCC updated members on topics such as how to apply for federal loans, loan forgiveness procedures, back-to-work guidance and PPP requirements, as well as tax-free treatment of PPP and liability protection. According to a recent survey, more than 80% of PHCC contractors applied for or intended to apply for PPP assistance when it was available.

- PHCC provided critical member updates on next steps in COVID relief legislation for small businesses, as well as the latest on infrastructure legislation, policy proposals on energy-efficient tax credits for residential and commercial HVAC upgrades, and privacy concerns for small business contractors.
- Working together with PHCC of Iowa, PHCC—National developed two versions of a safety flyer, as well as some PHCC COVID-19 Customer Safety Messaging, that members could customize to assure their clients that safety is a top priority and explain how they're adapting their service calls and office policies.



New Multi-Employer 401(k) Program

Among other member benefits and discounts, PHCC announced a powerful new retirement planning solution that leverages the strengths of group participation so that members could provide a competitive, turnkey 401(k) benefit to their employees. To develop this unique program, PHCC partnered with Lincoln Financial, a nationally recognized leader in retirement planning services, along with trusted experts from Certified Financial Services.

Timeline continued on next page

MAY

2020

JULY

2020



2020

AUGUST

- Introducing new courses, webinars and other resources from the Education & Training Department, PHCC took significant steps to make sure our members had the right type of business management training for them and specialized training for their employees.
- Together with Corporate Partner Milwaukee Tool, PHCC offered a Drain Cleaning Course to help PHCC member businesses understand the benefits of offering drain cleaning as part of their suite of services.
- The PHCC Energy Efficiency and Water Conservation Committee met jointly with the Regulatory Affairs Sub-Committee to monitor changes to the shower head rule and the residential gas furnace/commercial water heater rule.

- In a press release provided to national news outlets, PHCC joined with PHCC Strategic Partner Bradford White Corporation to call attention to overlooked career opportunities in the traditional skilled trades and urged an industry-wide focus on workforce development to close the skilled trades labor gap and recruit a new generation of workers.

PHCCCONNECT2020: Bringing Us All Together Through the Power of Technology

The association tapped into creativity, adaptability and modern technology to host a virtual PHCCCONNECT2020, Sept. 30 - Oct. 1. The comprehensive event – the first annual convention held online in the association’s 138-year history – provided a rewarding opportunity for p-h-c contractors, industry partners and PHCC’s affiliated groups to reconnect as an industry.



2020

OCTOBER

- Acknowledging that the construction industry has the highest number of suicides and the highest rate of any industry, PHCC recognized Suicide Prevention Month, providing resources through its participation with the Construction Industry Alliance for Suicide Prevention.
- The Legislative and Regulatory Affairs team continued to work hard on members’ behalf, filtering through the maze of comprehensive relief packages and federal safety requirements to identify what members need to know and when. In addition, staff met with the Department of Labor (DOL) staff to discuss registered apprenticeship, supervisor ratios and ways the DOL can help advance PHCC workforce policy interests. As of this writing, our team continues to advocate for bipartisan agreement on a COVID relief bill that includes all of our legislative priorities for plumbing and HVAC contractors.

Coronavirus Relief Options

Paycheck Protection Program

Economic Injury Disaster Loan

SBA Express Bridge Loans

SBA Debt Relief

SEPTEMBER

2020

What’s Next?

As you can see, PHCC never wavers – even in a pandemic – from promoting professionalism in our industry and protecting our members’ best interests. Looking ahead, there are exciting initiatives underway that focus on growing our membership, expanding educational opportunities, diversifying communication, boosting workforce development, increasing advocacy efforts and strengthening the industry. We’re here to help you address any challenges and position you as the “contractor of choice” in your market.

PLUMBING-HEATING-COOLING CONTRACTORS-NATIONAL ASSOCIATION

BALANCE SHEETS**

as of June 30, 2020

ASSETS	2020	2019	
Cash-Checking & Savings	\$ 838,136	\$ 863,440	\$ (25,304)
Accounts Receivable	62,822	120,459	\$ (57,637)
Prepaid Items	128,441	124,575	\$ 3,866
Other-Intercompany	105,975	96,272	\$ 9,703
TOTAL CURRENT ASSETS	1,135,374	1,204,746	\$ (69,372)
Investments at Market Value*	3,075,440	3,353,798	\$ (278,358)
Fixed Assets-net	848,831	919,772	\$ (70,941)
TOTAL ASSETS	\$ 5,059,645	\$ 5,478,316	\$ (418,671)
Liabilities			
Accounts Payable & Accrued Expenses	\$ 336,730	\$ 271,257	\$ 65,473
Deferred Membership Dues & Other Deferred Income	1,272,690	1,649,041	\$ (376,351)
TOTAL CURRENT LIABILITIES	1,609,420	1,920,298	\$ (310,878)
Net Assets			
Undesignated	3,044,890	3,087,118	\$ (42,228)
Board Reserve	134,435	200,000	\$ (65,565)
Building Reserve	250,000	250,000	\$ —
Total Unrestricted Net Assets	3,429,325	3,537,118	\$ (107,793)
Temporarily Restricted Net Assets	20,900	20,900	\$ —
TOTAL NET ASSETS	3,450,225	3,558,018	\$ (107,793)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 5,059,645	\$ 5,478,316	\$ (418,671)

* Change due to market fluctuations

**Includes PHCC Enhanced Service Groups

PHCC ENHANCED SERVICE GROUPS

Construction Contractors' Alliance (CCA)

CCA provides contractors with the means to identify solutions to the many issues new construction contractors face. This specialized group serves PHCC's plumbing and mechanical contractors specializing in residential, industrial, commercial and institutional new construction.



Highlights this year included:

- Hosted a valuable CCA Spring Meeting in Palm Springs, California, in February 2020, where, among other things, attendees tuned into sessions on how to hire, train and maintain staff; business succession planning; and a "show and tell" of innovative products and services benefitting their peer CCA members. Prior to the start of the event, attendees toured the Coachella Valley Water District.
- Celebrated the accomplishments of outgoing CCA Chair Matt Erickson (C.J. Erickson Plumbing Company in Alsip, Illinois) during his time in this role.
- Acclimated incoming CCA Chair Scott DenHerder (HPS Mechanical, Inc. in Bakersfield, California) to his new role.
- Welcomed new CCA Board member Kim McLaughlin (Price Brothers, Inc. in Charlotte, North Carolina).
- Continued to provide opportunities for members to interact and access timely resources while rescheduling and shifting CCA events due to COVID-19 limitations.

Quality Service Contractors (QSC)

QSC's mission is to "enhance the business acumen and success of p-h-c service and repair professionals, raise the identity of the HVACR industry, and promote the ideals, prosperity and awareness of the trades."



Highlights this year included:

- Hosted QSC's annual Power Meeting in San Diego, California, where 145 attendees learned about the important difference between hearing and listening and took home valuable lessons on leadership, digital marketing, and hiring, retention and firing processes. Although this March 2020 event was compromised by the emergence of the pandemic, attendees banded together to help each other begin the difficult journey that COVID-19 introduced just as this event was wrapping up.
- Successfully shifted from in-person coaching to virtual coaching because of COVID-19 limitations.
- Created new, relevant QSC coaching and education tools to support virtual training.

- Provided new revenue-generating education, networking and interactive opportunities to include:
 - the QSC Service Technician education series.
 - two Service Manager Peer Groups.
 - revival of the QSC Coaching Business Challenge.
 - QList Live monthly webinars.
- Provided three leadership/business management education sessions during PHCCCONNECT2020, delivered by QSC coaches.
- Participated in PHCCCONNECT's virtual tradeshow, an opportunity to showcase the benefits of being part of QSC.

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-employed contractors and improving the working relationship with the UA.



Highlights this year included:

- Approval by the PHCC Board of Directors to transition UAC into an ESG-branded Business Interest Group, a move designed to bring greater value to PHCC signatory contractors. (May 2020)
- Appointed Dave Frame of Bob Frame Plumbing Services in South Bend, Indiana, as chairman of new UAC Advisory Committee. (May 2020)
- Hosted a live webinar, "Labor Negotiations in a COVID-19 World." (June 2020)
- Conducted a virtual version of the UAC Annual Meeting, originally scheduled to be held as part of the spring UAC Management Conference that was canceled because of multiple scheduling conflicts within the industry. (July 2020)
- Enhanced the UAC microsite, providing an online community for members to engage with each other online and share resources. (July 2020)
- Appointed Brian Rich, president of G.A. Rich & Sons in Deer Creek, Illinois, to the vacant International Pipe Trades Joint Training Committee (IPT-JTC) Trustee position. (September 2020)
- Sponsored two UAC Showcase Seminars – one on asset protection and succession planning and another one on heat pump water heater trends – for the virtual PHCCCONNECT2020 event. (September and October 2020)

PHCC AFFILIATES

Association Executives Council (AEC)

The Association Executives Council of PHCC is an “association within an association.” With a mission to “advocate, educate and communicate,” AEC members are staff representatives working for PHCC affiliated chapters.



Highlights this year included:

- Hosted AEC Virtual Spectrum Conference in July with amazing speakers and valuable collaboration among the record number of attendees, thanks to the support from event sponsors Federated Insurance, Milwaukee Tool, Bradford White and the PHCC Educational Foundation.
- Implemented AEC Talks, new monthly educational sessions to facilitate the exchange of ideas among members and provide professional development opportunities. Topics included recognizing members during the pandemic and organizing successful board meetings.
- Recognized AEC Chapter Awards for Excellence in Communications recipients during PHCCCONNECT2020.
- Welcomed new board members following their election at the Annual Business Meeting.

PHCC—National Auxiliary

The PHCC—National Auxiliary strives to increase awareness of opportunities available for everyone in the plumbing, heating and cooling industries. It also seeks to educate the public on the essential role that these industries have in providing safe, healthy environments in all types of buildings.



Highlights this year included:

- Voted to approve the Auxiliary becoming a special committee of the PHCC Association. The transfer is underway, with processes being defined to ensure a smooth transition.
- Updated five videos featuring women in the industry with links to encourage viewers to explore careers through phccareers.com.
- Awarded scholarships totaling more than \$45,000 to 16 deserving students. These scholarships are open to anyone sponsored by an Auxiliary member regardless of the field they wish to study.
- Maximized technology to conduct new virtual meetings – including the largest attendance at its Annual Business Meeting in many years – to address the business of the Auxiliary.



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

Committed to Client Success

Our value is measured by your success. It's our business to protect yours.®

"We, at Plumb Works, are proud to work with Federated Insurance Company. They are a very highly respected company in our industry that believes in professionalism and continual education for their clients. This in turn helps create a safer work environment and enhances the culture of our company."

Jerome Sabol, *Owner and President*
Plumb Works Inc.



**PHCC's 2020
"Safety First!"
Contractor of the
Year Award Winner!**



Scan to learn more about what we can offer members.

Commercial Insurance | Property & Casualty | Life & Disability Income | Workers Compensation | Business Succession and Estate Planning | Bonding
Federated Mutual Insurance Company and its subsidiaries* | federatedinsurance.com | Ward's 50® Top Performer | A.M. Best® A+ (Superior) Rating

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