



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

2020-2021 Annual Report

PLUMBING-HEATING-COOLING CONTRACTORS NATIONAL ASSOCIATION

WE MADE IT HAPPEN!

Advocated to secure business-friendly legislation...

Protected the safety of our members and their employees, families and communities...

Leveraged technology and other creative solutions to train new workers...

Strengthened our relationships with loyal and new industry partners to provide best-in-class programs and resources for our members...

Supported our PHCC family during times of struggle and even tragedy...
we made it all happen.

PHCC contractors reported that they greatly valued their membership, particularly our efforts to help them respond to COVID-19 and prepare for the future.

Thank you for putting your trust in us.

DECEMBER 2020

- Helped members continue to navigate COVID relief initiatives. PHCC posted guidance and information from the Small Business Administration on the Paycheck Protection Program (PPP) and the Main Street Lending Programs.
- After vigorous advocacy, PHCC secured most of our policy priorities in a \$900 billion COVID relief bill that was signed into law late this month.

FEBRUARY 2021

- PHCC joined other construction trade organizations to applaud the House of Representatives for bipartisan passage of the National Apprenticeship Act of 2021 (H.R. 447) on Feb. 5 and strongly encouraged the Senate to approve it as well.
- PHCC offered a free member webinar on “Improving Indoor Air Quality in Schools: How Contractors and Distributors Can Provide Expertise.”
- PHCC partnered with industry partners to find parts and labor for PHCC members in Texas and surrounding states hit hard by the deep freeze-related power outages and water shortages.

Reporting Positive Feedback from PHCC’s Multi-Employer 401(k) Program

PHCC partnered with Lincoln Financial and Certified Financial Services to develop 401(k) plans for businesses of all sizes. “Offering a retirement plan definitely helps our business attract new hires,” shared PHCC member Karen Hill of HM Plumbing in Georgia.

- In light of a new U.S. president and a 50-50 split in the Senate, PHCC leveraged its relationships in Washington to ensure contractors continue to have a voice in an ever-changing political environment.
- PHCC shared insights from an esteemed PHCCCONNECT2020 industry panel that focused on supply chain issues, technology, workforce development and predictions on changes and innovations coming next.

Let’s Make It Happen!

As Hunter Botto began his first full month as PHCC—National president, he implored more members and industry partners to “get involved...and teach the next generation.” “As a native New Yorker, I was very excited to welcome 45 new and returning members of the Association of Contracting Plumbers of the City of New York (ACP) in to the PHCC family,” Botto later reported. “The decision by this group of signatory contractors to collaborate with our great organization is an excellent example of how PHCC’s education, training, regulatory and legislative support can benefit signatory and non-signatory contractors alike. We truly represent the interests of all p-h-c contractors.”

- PHCC’s Government Relations team continued providing information and analysis on expanded COVID relief programs. Of note, the Small Business Administration reopened the Paycheck Protection Program (PPP) loan portal to Second Draw loans to eligible borrowers. PHCC fought hard to secure eligibility for 501(c)(6) organizations, allowing PHCC to secure a PPP loan to continue providing value to our members.
- The PHCC Board of Directors reviewed PHCC’s strategic plan and environmental scan, providing several important trends affecting our industry, including the importance of diversity and inclusion, the impact of natural gas bans, the rise of digital technology, increasing threats to eliminate professional licensure requirements, and the value of strong partnerships with industry and association partners.
- PHCC provided regular economic reports affecting the industry, including the impact of the coronavirus, data-based predictions for the construction industry, and the best opportunities for your business moving forward.

NOVEMBER 2020

JANUARY 2021

APRIL 2021

- PHCC reported on President Biden's proposed Infrastructure Plan and continued to monitor this massive package as it made its way through the congressional process.
- PHCC continued to serve as the contractor's voice on several important industry code updates and hearings, as well as encouraged members to become part of the code revision process, including the Uniform Plumbing Code and Uniform Mechanical Code Update Cycle, National Standard Plumbing Code process, and the International Code Council Committee Action Hearings.

PHCC, Industry Respond to Tragedy Involving Two GSM Services Technicians

The PHCC community rallied to show love and support to the families, friends and colleagues of two GSM Services employees – HVAC service technicians James Lewis and Robert Shook – and other victims of a mass shooting that took place April 7 in Rock Hill, South Carolina. "You never imagine that [a workplace tragedy like this] can happen to one of your own," said PHCC–National President-elect Joel Long, who co-owns GSM Services – a PHCC contractor-member located in Gastonia, North Carolina – along with his brother, Steven Long.



JUNE 2021

- PHCC's Education and Training Department announced a Finance Boot Camp, with initial modules to be introduced at PHCCCONNECT2021.
- For the second year in a row, the PHCC Board of Directors voted not to increase National membership dues with an annual adjustment increase to offer continued relief to members who continue to manage ongoing COVID challenges.

PHCC's Virtual Legislative Conference Gave Our Members the Power

Restrictions on Capitol Hill never stopped our members from getting in front of lawmakers to help shape policy during the PHCC 2021 VIRTUAL Legislative Conference in June. Legislators heard directly from PHCC members, chapter executives and industry partners about our industry's critical role in rebuilding and reinforcing America's water and buildings infrastructure. Other critical topics included skills training, apprenticeship, and the importance of maintaining a balanced and cost-effective energy portfolio to include fossil fuels to meet America's energy needs.

Your voice and passion for
furthering the industry carries our
unified message to Capitol Hill.



Timeline
continued
on next page

- PHCC reported on the American Rescue Plan, a \$1.9 trillion COVID response bill signed into law providing additional emergency funding to state and local governments to fight the pandemic and mitigate its economic and public health consequences.
- Through regular Contractor Sentiment Surveys, PHCC kept a pulse on the impact of COVID and other challenges for members and adapted our programs and services accordingly. In addition to learning members' latest challenges, PHCC was pleased to discover that respondents greatly valued the COVID-19 Resource Center as one of the top benefits.
- PHCC and the PHCC Educational Foundation made it easier than ever to access *all* of their training and education opportunities and resources with a new online gateway to their programs.

Addressing Continuing Questions Related to COVID-19

Through PHCC's COVID-19 Recovery Center, legislative updates and resources provided by industry partners, PHCC continued to advise and update members on issues related to COVID-19. Among them:

- Masks in the Workplace: What's Acceptable?
- Reporting Work-related Exposures to COVID-19.
- COVID-19 Vaccinations: Can an Employee Refuse to Get One?

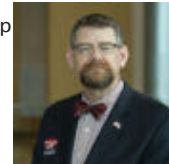
Driver Safety: Crucial Concern, Top Priority

The PHCC Safety & Risk Management Committee and Corporate Partner Federated Insurance were passionate this year in their efforts to make our roadways safer for all and to address the alarming increase in traffic deaths from the previous year. Among solutions from Federated Insurance was a free member webinar this month – "Vehicle Cameras: Why More Contractors Are Using Them" – illustrating how technology in company vehicles can make technicians better, safer drivers and protect their companies from unwarranted litigation.

- PHCC–National was a proud industry partner of the 7th biennial Emerging Water Technology Symposium (EWTS), a virtual event reinforcing the importance of proper stewardship over the world's water supply. Among the takeaways that PHCC shared with members:
 - Legionella and Waterborne Pathogens in Building Water Systems
 - Safer Plumbing Design, Use and Recovery from Disasters
 - The Water Demand Calculator Leaves Home

PHCC CEO Michael R. Copp to Retire in December

PHCC CEO Michael Copp formally announced his retirement from PHCC effective December 2021. "Our collective efforts represent a real team effort, especially these past two years, which prove that PHCC members and staff continue to move forward with hope in their eyes and a bone in their teeth as they protect the health and safety of everyone and our planet," he said.



- PHCC was recognized by the American Society of Association Executives (ASAE) twice this month for our efforts related to preparing for a safe return to the office and also our virtual event marketing of PHCCCONNECT2020.
- After more than a year of conducting business virtually, PHCC–National President Hunter Botto got back out on the road this spring and summer, attending several state conventions.

MARCH 2021

MAY 2021

JULY 2021



SEPTEMBER 2021

- PHCC Executive Sponsor Moen launched a free webinar series this month.
- Leveraging a new online grassroots system, PHCC members responded to a “call to action” from PHCC’s Government Relations team to contact their congressional leaders on consequences to their businesses that could result from a massive \$3.5 trillion spending bill.
- PHCC participated in an HVACR industry partner forum hosted by AHRI to discuss safe refrigerant transition, decarbonization, indoor air quality and the Department of Energy’s Furnace Rule.

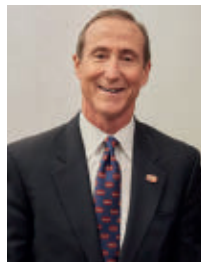
“Drawing on our 139-year history, PHCC has protected our members, their employees, families and communities through a pandemic by supplying relevant resources, sharing best practices among our members, advocating to secure business-friendly legislation and regulation, pledging to train new workers, and providing the best education in the industry.”

2020-2021 PHCC President Hunter Botto

- CEO Michael Copp updated PHCC’s Crisis Management Plan and made it available to PHCC members and chapters for customization. Sections include: Information Assurance and Cybersecurity, Crisis Communication, Continuity of Operations, Pandemic Response and Active Shooter.
- PHCC announced several new industry partnerships and sponsors, including A. O. Smith and Scorpion as Corporate Partners; Moen and Delta as Executive Sponsors; and GE Appliances Air and Water Solutions, McWane Plumbing Group (AB&I Foundry and Tyler Pipe), Oatey, RIDGID and Sioux Chief as Supporting Sponsors.
- The PHCC Insurance, Safety and Risk Management Committee met with Corporate Partner Federated Insurance and discussed timely topics, including distracted driving, nuclear verdicts, COVID-19 liability, motor vehicle issues and catalytic converter thefts.

PHCC—National Announces Mark Ingrao as new CEO

This month, the association announced that Mark S. Ingrao, CCP, CAE, has been selected as PHCC’s new chief executive officer. Ingrao brings more than 18 years of executive-level association management experience, most recently serving as CEO of the Northern Virginia Building Industry Association.



- The PHCC Educational Foundation repositioned its PHCC Academy course offerings – and added a *new* course. This new “path” includes the Foundation’s Workforce Readiness course, a new 90-day Pre-Apprentice course, Fast Track to Service Plumbing, and its Plumbing and HVACR Apprenticeship courses.
- The PHCC—National Auxiliary officially celebrated its 100th anniversary at PHCCCONNECT2021, unveiling several new videos:
 - Anniversary videos
 - PHCC membership testimonial video
 - Updated p-h-c careers video

PHCCCONNECT2021: Reconnecting...Live and In-Person.

730 plumbing and HVAC contractors and industry partners were excited to reconnect at PHCCCONNECT2021, Oct. 20-22, in Kansas City, Missouri. The three-day event included two highly anticipated keynoters, more than 20 educational sessions, 110 sponsors and exhibitors, the launch of PHCC’s Finance Boot Camp, the induction of new PHCC leaders, the return of the Plumbing and HVAC Apprenticeship Contests, and awards celebrating our industry’s best.



AUGUST 2021

OCTOBER 2021

What’s Next?

PHCC is ready to address tomorrow’s opportunities and challenges for its members. A new strategic plan will be developed in January 2022 to drive budgeting priorities for the next five years and adapt along the way to remain relevant to all stakeholders.

2021-2022 President Joel Long’s theme for the year is “Positive Leadership.” As PHCC embarks on this new chapter in PHCC history, you can look forward to more resources and benefits that can help you become the contractor of choice in your market.

PLUMBING-HEATING-COOLING CONTRACTORS-NATIONAL ASSOCIATION

BALANCE SHEETS*

as of June 30, 2021

ASSETS	2021	2020	
Cash-Checking & Savings	\$ 1,801,908	\$ 838,136	\$ 963,772
Accounts Receivable	75,111	62,822	\$ 12,289
Prepaid Items	204,173	128,441	\$ 75,732
Other-Intercompany	57,811	105,975	\$ (48,164)
TOTAL CURRENT ASSETS	2,139,003	1,135,374	\$ 1,003,629
Investments at Market Value**	3,832,098	3,075,440	\$ 756,658
Fixed Assets-net	777,603	848,831	\$ (71,228)
Total Assets	\$ 6,748,704	\$ 5,059,645	\$ 1,689,059
Liabilities			
Accounts Payable & Accrued Expenses	\$ 346,008	\$ 329,842	\$ 16,166
Deferred Membership Dues & Other Deferred Income	821,538	1,272,690	\$ (451,152)
Other Deferred Revenue	542,664		
Paycheck Protection Program Loans	414,197		
Tenant Security Deposits	6,888	6,888	
TOTAL CURRENT LIABILITIES	2,131,295	1,609,420	\$ 521,875
Net Assets			
Undesignated	4,110,542	3,044,890	\$ 1,065,652
Board Reserve	200,000	134,435	\$ 65,565
Building Reserve	250,000	250,000	\$ —
Total Unrestricted Net Assets	4,560,542	3,429,325	\$ 1,131,217
Temporarily Restricted Net Assets	56,867	20,900	\$ 35,967
TOTAL NET ASSETS	4,617,409	3,450,225	\$ 1,167,184
TOTAL LIABILITIES AND MEMBERS EQUITY	\$ 6,748,704	\$ 5,059,645	\$ 1,689,059

*Includes PHCC Enhanced Service Groups.

** Change due to market fluctuations.

PHCC COMMUNITIES

Construction Contractors' Alliance (CCA)

The Construction Contractors' Alliance (CCA) provides contractors the means to identify solutions to the many issues new construction contractors face. CCA serves PHCC's plumbing and mechanical contractors specializing in residential, industrial, commercial and institutional new construction.



Highlights this year included:

- Installed new and involved trustees.
- Shared creative, revenue-building initiatives.
- Planned and implemented CCA's first-ever virtual meeting, with a record number of participants in attendance.
- Installed new CCA Chair Kim McLaughlin to her new role.
- Welcomed new CCA Board members Ricardo Aldana and Marty Giebelhaus.
- Hosted a successful and beneficial Program Managers Meeting in Dallas, Texas.

The CCA Spring Meeting 2022 is scheduled to be held at the Westin San Diego in February 2022.

Quality Service Contractors (QSC)

Quality Service Contractors (QSC) has a new mission statement: "QSC provides a welcoming community that influences best practices, superior growth and profitability for trades contractors and industry partners."



Based on the development and implementation of a new strategic plan, QSC will devote time and efforts to:

- Increasing the value of Industry Partner memberships.
- Shifting from a coaching-based Enhanced Service Group to an inclusive community focusing on best practices.

- Creating and enhancing opportunities for interaction and initiatives benefitting QSC community members.
- Increasing awareness of QSC to PHCC members via new marketing initiatives.

Expanded offerings include:

- Specialized webinars.
- Expanded marketing of QSC education.
- All-new peer groups.
- Tailor-made coaching programs.
- Increased involvement of the QSC Advisory Council.
- The provision of content and interactive opportunities with PHCC chapters.
- Participation at PHCCCONNECT.
- Enhanced programming at Power Meeting 2022.

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.



As the advisory council looks to the long-term future for the UAC group, UAC's priorities are to provide meaningful programs and services to support PHCC's signatory contractors, including revitalizing communications through an online community. The UAC's priorities are creating a library of collective bargaining agreements, continuing UAC's priorities are creating discussions with the UA to secure residential and commercial service agreements, conducting a member survey to better understand priority pain points, and working to provide value to Union and dual-shop chapters.

PHCC COMMUNITIES

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 local and state executives working for PHCC affiliated chapters. With the global pandemic continuing to create so many interpersonal restrictions during this challenging year, AEC members have worked to craft creative solutions and new methods to remain relevant and connect with members and potential members.



Highlights this year included:

- Hosting a virtual Spectrum 2021, at which almost three dozen AEC members across the country participated, concentrating on the power of telling stories to motivate members, inspire sponsors, encourage potential students and inform parents.
- Hosting AECTalks every month, where AEC members learn from interactive conference calls (Zoom) facilitated by a variety of experts, industry leaders and peers.
- Growing AEC’s membership, particularly through the addition of execs in Florida and Texas.
- Providing valuable resource materials. All AECTalks have been recorded and reside on the PHCC website as resources for members. The library also includes OSHA training programs available to execs for chapter use and successful program ideas.

- Planning Spectrum 2022. The annual conference will return to an in-person format in July 2022 with a conference in Norfolk, Virginia.

PHCC—National Auxiliary

The PHCC—National Auxiliary is a group of dedicated people who share an interest in the plumbing-heating-cooling industry and are willing to give their time and talents in support of that industry. In many cases, Auxiliary members are also contractor members who wish to support the objectives of the Auxiliary as well as PHCC.



Highlights this year included:

- Holding a (delayed) special luncheon for Auxiliary members and guests to celebrate its 100th Anniversary (actually, the Auxiliary is 102 years old!).
- Hosting fun events at PHCCCONNECT2021 so that spouses and guests not directly involved in meetings have alternate activities.
- Creating two videos highlighting our history, including footage of items stored at the Smithsonian National Archive Center.
- Facilitating the update of the p-h-c careers whiteboard video to encourage students to consider careers in our industry.
- Awarding a total of \$39,815 in scholarships to 18 students.
- Transitioning to the PHCC organizational umbrella.



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