



Date: August 6, 2024

Memo To: Members of the NECA Board of Governors

From: Traci M. Walker
Secretary-Treasurer & CFO, NECA

Subject: Proposals for the Board of Governors Meeting

The following proposals were properly submitted in accordance with Section 8.1(h) of the NECA Bylaws for review and action at the September 28, 2024, meeting of the Board of Governors to be held at the San Diego Convention Center in San Diego, CA.

There is **1 Bylaw Amendment Proposal and 2 Ordinary Proposals**. If adopted the proposed changes shall become effective immediately (unless otherwise indicated).

Bylaw Proposal

Bylaw Amendment – Proposal #1, submitted by the NECA Executive Committee to amend Section 5.4 re **Dues Amounts**

Ordinary Proposals

Ordinary Proposal #1, submitted by the NECA Executive Committee to amend Board of Governors Policy #1 re **Reserve Finance Policy** (Contingent upon Approval of Bylaw Amendment re. Dues Amounts)

Ordinary Proposal #2, submitted by the NECA Executive Committee re Revision of **NECA-IBEW Category I Referral Language**

Please note that in accordance with Section 8.1(h) of the NECA Bylaws, responses, amendments, and/or substitutes to such proposals must be submitted to the Secretary-Treasurer by **August 29, 2024**.

Information about the upcoming meeting as well as data on policies and historical data can be found [here](#).

If you have any questions, please do not hesitate to contact me at 202-991-6281 or tmw@necanet.org.

Thank you.

Bylaw Amendment – Proposal #1 – submitted by the NECA Executive Committee to amend Section 5.4 re **Dues Amounts**

WHEREAS, the dues amounts have remained constant since 1993; and,

WHEREAS, inflation has impacted membership expenses over the past 31 years; and,

WHEREAS, membership expenses have increased significantly since 1993 in conjunction with the growth of the association; and,

WHEREAS, NECA has had to rely on Reserve Fund earnings in order to cover additional membership expenses and balance the operating budget.

THEREFORE, be it resolved that the NECA Bylaws be revised by increasing the dues amounts (as noted below) in conjunction with a revised Reserve Fund Policy to eliminate the utilization of reserve spending for annual operations.

ARTICLE V. DUES and SERVICE CHARGES

Section 5.4. Dues Amounts.

- (a) Members located in the United States shall pay ~~one-four~~ hundred and fifty (~~150~~450) dollars dues annually plus specified monthly service charges. (See “c” below) This amount will be reviewed every five (5) years.
- (b) Members located outside of the United States shall pay ~~two-five~~ hundred (~~200~~500) dollars dues annually. This amount will be reviewed every five (5) years.
- (c) Members shall also pay “monthly service charges” in an amount equal to two tenths (2/10) of one (1) percent of the member’s “productive electrical payroll” as defined in (d) below, for all electrical power, communications or controls contracting business executed in the United States. Service Charges are due and payable no later than the fifteenth (15th) day of the month following the month in which the labor was performed. “Productive electrical labor payroll” is defined as total wages, including overtime wages, paid for all hours worked by all classes of electrical labor for which a rate is established in the prevailing labor agreement where the labor was performed including:
 - 1) Payroll of labor union members and nonmembers on the same basis.
 - 2) Payroll paid and/or accrued for the labor of a member of the Association working with the tools.

“Productive electrical payroll” shall not include all payroll on manhours in excess of one hundred and fifty thousand (150,000) and twenty-five (25) percent of manhours in excess of seventy-five thousand (75,000), up to one hundred and fifty thousand (150,000) in any one Chapter area during any one calendar year.

Comment from NECA National Office:

This proposal is recommended **FOR** adoption for the reasons stated above.

Ordinary Proposal #1 – Amend Board of Governors Policy #1 re **Reserve Finance Policy**
(Contingent upon Approval of Bylaw Amendment re. Dues Amounts)
(Submitted by the NECA Executive Committee)

WHEREAS, the current NECA Board of Governors Policy on Reserve Finance has not been revised since 2004; and,

WHEREAS, spending from the reserves for annual operations has proved to be unsustainable for the long-term; and,

WHEREAS, the Policy needs to be revised to allow for financial stability to meet the current and projected future needs of the Association.

THEREFORE, be it resolved that the NECA Board of Governors Policy on Reserve Finance be revised as follows.

Reserve Finance Policy

NECA shall establish and maintain a financial reserve for the purpose of ~~providing stability of association operations and~~ responding to unpredictable problems and ~~opportunities~~ financial crises (Reserve Fund). Reserves are an important mechanism to ensure the Association's financial health and stability, and to mitigate financial risks.

It shall be a goal to maintain ~~restricted reserve funds~~ the Reserve Fund at a balance greater than six months operating expenses and less than two years operating expenses. equal to the annual operating expenses of the association. The minimum fund shall be equal to at least six months operating expenses and not in excess of two years operating expense. For the purpose of these calculations, o ~~Operating expenses are~~ should be averaged over a five-year period.

Upon prior approval of the Executive Committee, the Reserve Fund may be used for:

- Operating needs in times of crisis, marked recessionary times, and as protection against significant unexpected revenue declines.
- Unforeseen legal costs or settlements.
- _____

~~The Executive Committee may utilize up to 7% of the value of the restricted reserve fund for annual operations. The value shall be determined at fiscal year end. To meet short term cash needs the Executive Committee may transfer additional amounts to the operations account provided such amounts shall be returned to the restricted reserves during the following fiscal year. All other withdrawals, and any withdrawals (for reasons listed above) which exceed 5% of the value of the Reserve Fund at the prior fiscal year end, from the restricted reserve~~ require prior authorization by the Board of Governors.

The ~~restricted reserve~~Reserve Fund shall be managed by recognized professional investment managers in a formal, diversified plan approved by the Executive Committee and may be invested in traditional vehicles such as stocks, bonds, and cash. ~~The reserve may also be used to finance a permanent building and property for use as association offices.~~

This Policy will be reviewed annually, by the Executive Committee, or sooner if warranted by internal or external events or changes. Proposed changes to the Policy will be submitted to the Board of Governors.

(Adopted Oct. 16, 2004)

Comment from NECA National Office:

These proposals are recommended **FOR** adoption for the reasons stated above.

Ordinary Proposal #2 – re Revision of NECA-IBEW Category I Referral Language

(Submitted by the NECA Executive Committee)

WHEREAS, the electrical construction industry is facing a severe skilled worker shortage across the country.

WHEREAS, the IBEW updated their Inside Construction Organizing Policy on October 1, 2023, to increase their efforts to organize the electrical industry and better work toward alleviating this shortage.

WHEREAS, to support organizing efforts and to work toward solving the skilled worker shortage, there is a need to revise NECA-IBEW Category I Referral Language.

Now, therefore, be it resolved that Article IV, Section 4.05, as it appears in the NECA-IBEW Inside Pattern Agreement Guide, be amended as follows:

Section 4.05 The Union shall maintain a register of applicants for employment established on the basis of the Groups listed below. Each applicant for employment shall be registered in the highest priority Group for which he qualifies.

JOURNEYMAN WIREMAN -- JOURNEYMAN TECHNICIAN

GROUP I

All applicants for employment who have four or more years' experience in the trade, are residents of the geographical area constituting the normal construction labor market, have passed a Journeyman Wireman's examination given by a duly constituted Inside Construction Local Union of the I.B.E.W., ~~or~~ have been certified as a Journeyman Wireman by any Inside Joint Apprenticeship and Training Committee, or have at least twelve thousand (12,000) hours experience in the trade, and, who have been employed in the trade for a period of at least one year in the last four years in the geographical area covered by the collective bargaining agreement.

Group I status shall be limited to one Local Union at one time. An applicant who qualifies for Group I in a local union shall be so registered electronically and remain on Group I in that local union unless and until the applicant designates another local union as his or her Group I local union. If an applicant qualifies for Group I status in a local union other than his or her home local union and designates that local as his or her Group I local union, the business manager of the new Group I status local union shall by electronic means notify the business manager of the applicant's former Group I status local union.

Note: The reference to electronically registered and electronically notified shall be done via the ERTS system already in place. Group I would start at the member's home local. When a member request Group I status in a new local the Business Manager of that new local would verify that the member meets the requirements as stated in the Category I language (no change). Notice would be sent to the new local ERTS administrator by the Business Manager, to enter the member as Group I in the new local. ERTS would then send notice to the former local and the member would sign off saying that he desired to move his Group I status and doing so voluntarily request removal from his former place on Group I at the former Group I local. The

Business Manager shall notify the employer of an employee whose group status changes under this provision.

GROUP I (Alternate Language)

Note: The following is the only approvable Alternate Language to Category I - Group I - Referral Procedure language: Groups II, III, and IV are unchanged.

GROUP I

All applicants for employment who have four or more years' experience in the trade, are residents of the geographical area constituting the normal construction labor market, have passed a Journeyman Wireman's examination given by a duly constituted Inside Construction Local Union of the I.B.E.W. ~~or~~ have been certified as a Journeyman Wireman by any Inside Joint Apprenticeship and Training Committee, or have at least twelve thousand (12,000) hours experience in the trade, and, who have been employed in the trade for a period of at least six months in the last four years in the geographical area covered by the collective bargaining agreement.

Group I status shall be limited to one Local Union at one time. An applicant who qualifies for Group I in a local union shall be so registered electronically and remain on Group I in that local union unless and until the applicant designates another local union as his or her Group I local union. If an applicant qualifies for Group I status in a local union other than his or her home local union and designates that local as his or her Group I local union, the business manager of the new Group I status local union shall by electronic means notify the business manager of the applicant's former Group I status local union.

Note: The reference to electronically registered and electronically notified shall be done via the ERTS system already in place. Group I would start at the member's home local. When a member request Group I status in a new local the Business Manager of that new local would verify that the member meets the requirements as stated in the Category I language (no change). Notice would be sent to the new local ERTS administrator by the Business Manager, to enter the member as Group I in the new local. ERTS would then send notice to the former local and the member would sign off saying that he desired to move his Group I status and doing so voluntarily request removal from his former place on Group I at the former Group I local. The Business Manager shall notify the employer of an employee whose group status changes under this provision.

GROUP II

All applicants for employment who have four or more years' experience in the trade and who have passed a Journeyman Wireman's examination given by a duly constituted Inside Construction Local Union of the I.B.E.W. ~~or~~ have been certified as a Journeyman Wireman by any Inside Joint Apprenticeship and Training Committee or have at least twelve thousand (12,000) hours experience in the trade.

GROUP III

All applicants for employment who have two or more years' experience in the trade, are residents of the geographical area constituting the normal construction labor market, and who have been employed for at least six months in the last three years in the geographical area covered by the collective bargaining agreement.

GROUP IV

All applicants for employment who have worked at the trade for more than one year.

Comments from NECA National Office:

This proposal is recommended **FOR** adoption for the reasons stated above.