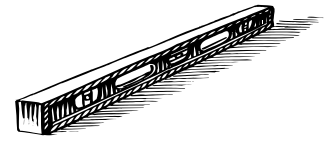


The Straight and Level

An Independent Newsletter from the
Home Builders Association of the Upper Rio Grande
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President's Message

by Dr. Bill Dunkelberg (NFIB)

Sits on the Sideline

If there's a recovery going on, a whole bunch of businesses are being left out.

NFIB's Index of Small Business Optimism has bounced around in the 88-to-92 range for two years—clear recession readings when compared with the 35-year average of about 100. That's a stark contrast to the economic recovery that started in 1983, when the Index soared as high as 107 after plunging to 80 in the recently ended recession. Along the same lines, during the 1983 recovery, gross domestic product grew 5 percent in the first quarter, followed by three quarters of 8 to 9 percent growth. That's the kind of bounce we should have experienced after the recent recession. Instead, in the first three quarters of the current recovery we saw growth of 3 percent, 5 percent and 3 percent.

One simple interpretation is that half of the economy is not participating in recovery; the small business sector.

Yes, the manufacturing sector is busy—and doing well—restocking the shelves at companies that cut inventory to the bone during the recession. Big-firm profits, like at banks and manufacturing companies, have done well, at least intermittently boosting the stock market. And the balance sheets of Corporate America look good, with debt restructured, record cash balances and expenses cut to the core. But restocking—a major contributor to growth—will fade by year end. Then the economy must find another "leader" to fuel expansion. Historically, consumer spending and new home construction have been those leaders. This time around, the consumer is out of commission and home construction is dead in the water.

Small business produces half of private-sector workers. So, when the president wanted advice about job creation, who did he call to his job summit? General Electric Co. and JP Morgan Chase & Co. It was a major

affront to small business. Only 18,000 of the 6 million employer firms in this country have more than 500 employees. Ninety percent employ fewer than 20 people. If jobs are going to be created, it will happen at small businesses, not GE and its ilk.

We need to generate at least 100,000 new jobs per month to keep up with population growth and another 225,000 per month for the next three years to employ the 8 million who lost their jobs during the recession. But according to our research, only a tiny percentage of small firms plan to increase employment. Even now, a greater number of firms still plan to cut inventories than plan to order more. Spending on new equipment and facilities is at a 35-year low, and plans for expenditures are close to record lows.

And owners are not optimistic about the immediate future. Only 5 percent, measured in net terms, expect higher sales and only 8 percent expect better business conditions in six months.

Major sources of that uncertainty are Washington regulators and Congress. The 2,700-page healthcare bill is being turned into regulation. Tax cuts from 2001 and 2003 expire soon, Congress is talking about a value-added tax and higher taxes on entrepreneurs who happen to be successful. Record deficits are terrifying. It just goes on and on.

For owners to hire or buy new equipment, they must expect that these expenditures will pay for themselves through increased sales. That expectation is absent, indicating that growth will be sluggish and below par for a while yet.

Dr. Bill Dunkelberg, a nationally known authority on small business and entrepreneurship, has served as NFIB's chief economist since 1971.

2011 HBAURG Board of Directors

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HBAURG Board Meetings are held on the second Tuesday of each month. The Board of Directors welcomes members to attend the Board Meetings. Please call Bee @ (719) 873-5440 for more information.

Membership dinner meetings are held the last Tuesday of each month. Membership dinner meetings are not held in July and August.



2011 Home & Garden Show

Reserve your booth now!

Contact Traci Martinez

(719) 580-3849

Vendor Set-up: Friday May 6th

Home Show: Saturday May 7th—Sunday

May 8th



Notes from Bee

January 25—Dinner Meeting

Contact Bee to make dinner reservations, 873-5440 or email at hbaurg@aol.com



Location: Pachelli's Deli & Italian Cuisine
1042 Park Ave ~ Monte Vista
Dinner will include chicken parmesan, salad, dessert, and Coffee, tea or soda

Time: Social Time 6:00, Dinner at 6:30

Cost: \$15.00 per person—Reservations are recommended*
*Reservation Deadline ~ Noon, Thursday Jan. 20

Guest Speaker: Ken Ropp, Simpson Strong-Tie
7117 S. Lafayette Way ~ Centennial, CO
Ken will be discussing the new deck code changes for the IRC 2006 and the changes for IRC 2009. He will also address a trend in ledger fasteners that is currently going through the Colorado municipalities. In addition, Ken will answer questions our members may have on Simpson Strong-Tie products.

Guest Speaker: Come and meet Dianne Koshak, RN, Rio Grande County Public Health Agency

WHAT'S COOKIN'? by Kim Jackson

As more owners stay in their homes, kitchens undergo surprising renovations.

Where bigger used to be better in the kitchen, designers are seeing home owners adapt their versions of an ideal kitchen to match their budgets. And like it or not, many people are staying in their homes, upgrading as their budget allows.

Compact, professional-grade appliances are hot ticket.
Whether it's new construction or remodel, Pete Dine, owner of Home and the Range, has noticed a trend in downsized appliances. Because people are more budget conscious these days, Viking has responded by offering a complete kitchen that's sleeker and more compact – including a four-burner range and oven beneath, hood, microwave, dishwasher and refrigerator – for under \$9,000. "Appliance replacement and remodel is definitely a focus for all brands right now," said Dine.

Owners want sustainable wood cabinets and lots of storage options.
Some people want cabinets. The cabinets could be old, tired or it might just plain be time for a change. According to Lisa Phillips, showroom manager with cabinet maker Showplace Kitchens, home owners still prefer the clean, contemporary look, "but not so blatantly contemporary it's sterile."

And because people are staying in their homes, rather than moving or building, storage is now a big priority. Storage item options, such as roll-out trays, soft-close drawers, novel ways to store spices, knives or other kitchen essentials, are "a trend that people are really hot on right now," Phillips said. Those internal parts and pieces to a cupboard can add up, and fast, which sometimes takes home owners by surprise. "We find that many people start with a budget-conscious mind set," she observed. "And the more you add internally, the price incrementally goes up every step of the way."

Another trend Phillips is seeing is that home owners want cabinetry made with sustainable wood. As part of its cabinetry line, Showplace Kitchens offers Lyptus, a eucalyptus hybrid that's grown on regulated plantations in South America. A true high-grade hard wood, Lyptus grows in 15 to 17 years, and doesn't deplete old-growth forests.

Excerpted from Summer 2010 issue of Colorado Builder Forum.

Free Radon Home Test Kits

Radon is a cancer-causing natural radioactive gas that you can't see, smell or taste. Its presence in your home can pose a danger to your family's health. Radon is the leading cause of lung cancer among non-smokers, and the second leading cause of lung cancer in smokers. It claims about 20,000 lives annually.

Radon gas comes from the natural radioactive breakdown of uranium in soil, rock and water. It is found in every part of the United States. Radon can be found in any type of building. The greatest exposure occurs at home, where most people spend most of their time.

Give your family the gift of healthy indoor air. Radon Home Test Kits are free for Rio Grande County residents from Rio Grande County Public Health Agency. Call Dianne Koshak RN at 719-657-3352 to get your coupon for a free kit or if you have any questions about radon.

Things turn out best for the people who make the best of the way things turn out.

Art Linkletter



SAFAX
With Dick Shaw
Certified Safety Professional
Rio Grande Safety and Health, LLC
873-5484

OSHA RESCINDS INTERIM FALL PROTECTION COMPLIANCE GUIDELINES

OSHA has issued a directive rescinding the Interim Fall Protection Compliance Guidelines for Residential Construction (STD 03-00-001).

Since 1998, STD 03-00-001 allowed employers engaged in certain residential construction activities to use specified alternative methods of fall protection (e.g., slide guards or safety monitor systems) rather than the conventional fall protection (guardrails, safety nets, or personal fall arrest systems) required by the residential construction fall protection standard (29 CFR 1926.501(b)(13)). Employers could use the alternative measures described in STD 03-00-001 without first proving that the use of conventional fall protection was infeasible or created a greater hazard and without a written fall protection plan.

Now that OSHA has rescinded STD 03-00-001, what do residential construction employers have to do to protect employees from fall hazards?

- Employees working six (6) feet or more above lower levels must be protected by conventional fall protection methods listed in 1926.501(b)(13) (i.e., guardrail systems, safety net systems, or personal fall arrest systems) or alternative fall protection measures allowed by other provisions of 29 CFR 1926.501(b) for particular types of work.
- An example of an alternative fall protection measure allowed under 1926.501(b) is the use of warning lines and safety monitoring systems during the performance of roofing work on low-sloped roofs. (4 in 12 pitch or less). (See 1926.501(b)(10)).
- OSHA allows the use of an effective fall restraint system in lieu of a personal fall arrest system. To be effective, a fall restraint system must be rigged to prevent a worker from reaching a fall hazard and falling over the edge. A fall restraint system may consist of a full body harness or body belt that is connected to an anchor point at the center of a roof by a lanyard of a length that will not allow a worker to physically reach the edge of the roof.
- When the employer can demonstrate that it is infeasible or creates a greater hazard to use required fall protection systems, a qualified person must develop a written site-specific fall protection plan in accordance with 1926.502(k) that, among other things, specifies the alternative fall protection methods that will be used to protect workers from falls.

When will residential construction employers that were covered by STD 03-00-001 have to start complying with 1926.501(b)(13)?

The effective date is June 16, 2011.

To review OSHA's fall protection regulations on the Internet follow these instructions:

- (1) Go to www.osha.gov;
- (2) Click on "Regulations";
- (3) Click on "Construction";
- (4) Scroll down to 1926.501 or 502

If you need further information contact Dick Shaw @ 719 873 5484 or 719 850 0500.

NOTICE

Employer Obligation to Notify Employees of Possible Premium Assistance from Children's Health Insurance Program (CHIP) Possible Action Required

**December 29, 2010
Briefing Number 2010-30**

Possible January 1, 2011 Notice Requirement

Employers that sponsor group health plans must notify eligible employees of their possible right to receive financial assistance through Medicaid and the Children's Health Insurance Program (CHIP) to pay for premiums for health coverage under the employer's plan, if such assistance is currently available in the states in which employees reside. **Employers who did not notify employees earlier in 2010 are required to do so by January 1, 2011.** The U.S. Department of Labor provided a model notice in February 2010 that employers can use to notify employees. The model notice is also at:

<http://www.dol.gov/ebsa/chipmodelnotice.doc>

What's in the Model Notice

The model notice includes contact information for the Medicaid and/or CHIP programs in each state that provides premium assistance as of November 3, 2010. Employers can provide the entire 3-page model notice to all employees, or may instead wish to shorten the notice and provide state-specific information to employees who reside in states that offer this premium assistance. The model notice is short and easy to understand. It starts out: "If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage."