

MARBA MATTERS

GRIEVANCES AND ARBITRATIONSⁱ

Mid-America Carpenters Regional Council Arbitrations

MARBA received no arbitration demands in the month of October.

Laborers Joint Grievance Committee

The Laborers JGC did not meet in October. The next JGC is scheduled for November 26, 2024, at the Laborers District Council office in Burr Ridge beginning at 9:00 a.m., provided there are any grievances to go forward.

Operating Engineers Joint Grievance Committee

The Operating Engineers JGC did not meet in October. The next JGC is currently set for November 6, 2024, beginning at 8:30 a.m. at the Operating Engineers office in Countryside. There are two (2) grievances set to be heard that day.

Teamsters Joint Grievance Committee

The Teamsters JGC did not meet in October. The next JGC is scheduled for Friday, November 15, 2024, at the MARBA office at 9 a.m. There are two (2) grievances scheduled to be heard.

COLLECTIVE BARGAINING/LABOR ISSUES

2025-2027 Expiring Contracts

MARBA has posted its list of expiring contracts for 2025, 2026, and 2027 on its website. You may access the list by clicking [here](#). Contracts that MARBA negotiates and administers are in bold. If there are agreements due to expire not listed, please contact Aaron Janik at ajanik@marba.org so the list may be updated.

As it relates to the 2025 expiring contracts, MARBA will have negotiations with Local 701 Mechanics and Local 130 Tech Engineers in 2025. A packet of information will be distributed in early 2025. If there are any questions about these two agreements, please contact the MARBA office.

MIAF Contribution Obligation

Contained within each of the MARBA collective bargaining agreements is language concerning MARBA Industry Advancement Funds (MIAF) contributions. The rate for these contributions differs from CBA to CBA. A memorandum sent to all MARBA Associations regarding the MIAF contribution rate and

contractors' obligations to remit those MIAF contributions is on the last page.

INDUSTRY NEWS

MARBA Hosting Construction Legal Seminar

MARBA will be hosting a Construction Legal Seminar on Friday, November 8, 2024, at Maggiano's in Oakbrook. The seminar will begin at 8:00 a.m. with registration and a continental breakfast. The presentation will begin at 8:30 a.m. and conclude at 2:30 p.m. Lunch will be served. Topics include Employee Handbooks in the Unionized Setting, OSHA Trends and Hot Topics, Fund Audit Rights and Obligations, and Strikes, Picketing, and Bannering. There are still a few seats available for this event, which is complimentary. Please contact Aaron Janik at ajanik@marba.org for a registration link.

STATE OF THE ECONOMY

Economic Indicators

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| Unemployment Rate | September 2024 U.S. 4.1% (August 2024 U.S. 4.2%), Illinois 5.3% (48 th) |
| Labor Participation Rate | September 62.7%, August 62.7%, July 62.7% |
| CPI All Urban Consumers | September 2024 over September 2023 = 2.44% Half Year = 3.22% |
| CPI Chicago All Items | September 2024 over September 2023 = 4.08% Half Year = 3.14% |
| CPI Midwest All Items | September 2024 over September 2023 = 2.56% Half Year = 2.71% |
| Union Membership | 2023 = 10.0% (Private Sector 6.0%), 2022 = 10.1% (Private Sector 6.0%), 2021 = 10.3% (Private Sector 6.1%) |
| Unionized Construction Workers | 11.4% (2023), 11.7% (2022), 12.6% (2021), 12.7% (2020) |
| 30 Year Fixed Mortgage | As of 10-24-24 6.54%, down 1.25% over the prior year. Annual Average 6.61% (2023), 5.34% (2022), 2.96% (2021) |
| 15 Year Fixed Mortgage | As of 10-24-24 5.71%, down 1.32% over the prior year. Annual Average 5.93% (2023), 4.58% (2022), 2.27% (2021) |
| Brent Crude Oil Price | \$70.78 per barrel (as October 29, 2024, 12:00 p.m.) \$145.61 per barrel all time high July 2008 \$2.23 per barrel all time low May 1970 |
| Privately Owned New Housing Building Permits | 2.9% below revised August rate 5.7% below September 2023 rate |

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| Privately Owned New Housing Starts | 0.5% below revised August rate (+/-13.0%) 0.7% above September 2023 rate (+/-16.1%) |
| GDP | Q3 2024 (Adv) +2.8% Q2 2024 (3 rd) +3.0% |
| DJIA | 42,362.40 as of October 29, 2024 (12:00 p.m.) 42,195.08 as of September 30, 2024 (12:00 p.m.) 40,614.97 as of August 16, 2024 (11:30 a.m.) |

JANIK'S J.D. – AN UPDATE ON LABOR/CONSTRUCTION LEGAL ISSUES
AARON JANIK- EXECUTIVE DIRECTOR MARBA

General Contractor Ordered to Pay Hacked Subcontractor

According to Statista, a global data and business intelligence platform, data breaches in the United States rose from 447 in 2012 to over 3,200 in 2023. That number is expected to rise each year. Additionally, online fraud costed Americans \$12.5 billion dollars in 2023. Construction companies are not immune to this rise in cyber related crimes. Contracts, change orders, and requests for payment are, for the most part, exchanged via email these days. A general contractor (GC) in Maryland was recently the victim of a hacking/scam in which a hacker purporting to be one of the GCs subcontractors sent the GC a link for an ACH payment. Once the GC sent payment to the hacker the real subcontractor came looking for payment.

The hacker in this case had changed the email address for the subcontractor to a .net email address instead of a .com email address. The receiver did not catch the change in the email address and followed the directives given in the fake email. One interesting aspect of this case is that the fake email contradicted payment directions the real subcontractor previously had sent to the GC. The hacker claimed the subcontractors bank account was “under review” and that the GC needed to send payment via a “Corporate account via ACH only”. After some additional email correspondence with the hacker, the GC sent a corporate check to an address provided by the fake subcontractor (which was not the real subcontractor’s correct address). The real subcontractor then filed a breach of contract suit against the GC for its failure to pay the true invoice.

The court looked to the parties contract to resolve the payment dispute. The contract was silent as to how the payment should be made. The subcontractor argued it had done the work and the contract requirement payment. The GC argued it in fact made the payment, but for the subcontractor’s lax cybersecurity it was not received. In other words, the GC blamed the subcontractor’s cybersecurity for the non-payment. The court found in favor of the subcontractor. The court reasoned that the parties could have drafted language regarding cyber-related issues with respect to payments and/or actually put detailed information in their contract as to how payment was to be made.

Hackers are becoming more sophisticated in their attempts to ensnarl businesses in their ploys. Common tactics include changing a capital “O” to a zero “0” in an email address or adding an extra period. Other ways in which hackers are circumnavigating security features is calling a company’s IT department asking for “help” resetting passwords and then gaining access to a real individual’s email address thus allowing a hacker the ability to pose as a real employee. The case is *United States for the Use and Benefit of Jay Worch Electric, LLC v. Atlantic Specialty Insurance Company et al.*

UPCOMING SEMINARS AND EVENTS

CAGC CONSTRUCTORS CONNECT

JOIN THE CAGC FOR THEIR PREMIER EVENT OF THE YEAR

DATE: WEDNESDAY, NOVEMBER 20, 2024
 TIME: 4:00 P.M. TO 7:00 P.M.
 LOCATION: 167 EVENTS
 167 N. GREEN ST.
 CHICAGO, IL
 COST: \$175 MEMBERS, \$225 NON-MEMBERS
 CONTACT: STACEY KELLY SKELLY@CHICAGOLANDAGC.ORG

UCA CASINO NIGHT AND HOLIDAY PARTY

THE UCA KICKS OFF THE HOLIDAY SEASON WITH A FUN CASINO NIGHT

DATE: FRIDAY NOVEMBER 22, 2024
 TIME: 6:00 P.M. TO 11:00 P.M.
 LOCATION: THE EMPRESS
 200 E. LAKE ST.
 ADDISON, IL
 COST: CONTACT UCA FOR PRICING
 CONTACT: LAUREN BARNETT LAUREN@UCA.ORG

CALENDAR

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|--------------------|-------------------|--|
| NOVEMBER 5 | 8:00 A.M. | BAC FUND MEETING (ELMHURST) |
| NOVEMBER 6 | 8:30 A.M. | OPERATING ENGINEERS JGC (COUNTRYSIDE) |
| NOVEMBER 8 | 8:00 A.M. | MARBA CONSTRUCTION LEGAL SEMINAR (OAKBROOK) |
| NOVEMBER 12 | 12:00 P.M. | MARBA BOARD MEETING (MARBA) |
| NOVEMBER 14 | 6:00 P.M. | MWCC TURKEY NIGHT (ROSEMONT) |
| NOVEMBER 15 | 9:00 A.M. | TEAMSTERS JGC (MARBA) |
| NOVEMBER 18 | 9:00 A.M. | CEMENT MASONS LMCC MEETING (NAPERVILLE) |
| NOVEMBER 19 | 11:00A.M. | UCA EMERGING LEADERS PROGRAM (CHICAGO) |
| NOVEMBER 26 | 9:00 A.M. | LABORERS JGC (BURR RIDGE) |

¹ Information for MARBA Matters was obtained from the following sources: BNA Construction Labor Reports, Crain’s Chicago Business, Northwest Times of Indiana, Chicago Tribune, and Sun-Times, CDQ, and the BLS, as well as various websites and other publications.

Did You Know?

The phenomenon of falling asleep after eating a Thanksgiving meal is called postprandial fatigue.



The MARBA Office will be closed on Thursday November 28 and Friday November 29 in observance of the Thanksgiving Holiday.



MARBA OFFICERS

SETH GUDEMAN
Chairman

SHANE HIGGINS
Vice-Chairman

KATHLEEN KAPOVICH
Vice-Chairman

WILLIAM VIGNOCCHI
Treasurer

NORA DEGNAN
Secretary

AARON JANIK
Executive Director

MEMORANDUM

TO: ALL MARBA ASSOCIATIONS

FROM: AARON JANIK, MARBA EXECUTIVE DIRECTOR

DATE: OCTOBER 1, 2024

RE: MIAF CONTRIBUTIONS

MARBA would like to remind all contractors signatory to the collective bargaining agreements MARBA negotiates and administers with the various trades of the obligation to remit industry advancement funds under those CBAs.

The rates for the MARBA Industry Advancement Fund (MIAF) should be remitted at the same time other fringe benefit contributions are made. The process for reporting MIAF contributions differs from trade to trade including the amount to be remitted.

The amounts to be remitted are to be made on a per hour worked basis and are as follows:

- Auto Mechanics -- \$0.03
- Bricklayers – \$0.13
- Carpenters (Cook, Lake, & DuPage) – \$0.09
- Carpenters (Kane, Kendall, & McHenry) – \$0.09
- Carpenters (Grundy) – \$0.10
- Carpenters (Will) – \$0.14
- Cement Masons Local 11 – Area 161 – \$0.13
- Cement Masons Local 11 – Area 362 – \$0.08
- Cement Masons Local 11 – Area 638 – \$0.08
- Cement Masons Local 502 – \$0.06
- Laborers – \$0.06
- Operating Engineers – \$1.73 (the MIAF contribution is part of the Construction Research Trust contribution) *
- Teamsters Joint Council 25 (All Locals) – \$0.06
- Tech Engineers – \$0.04

Should you have any questions regarding the MIAF contributions or are unsure how these contributions are to be made please contact Aaron Janik, MARBA Executive Director or your MARBA Association.

Sincerely,

Aaron Janik
Executive Director

*Contributions for the Operating Engineers (CRF) are made on a per hour for each hour the Employee receives wages.