

THE FIRST WORD

September, 2004

August ACEC OKLAHOMA Meeting Receives Surprise Visit from Senator Jim Inhofe

An outstanding presentation by Ramona Wagner of the U.S Army Corps of Engineers, and a surprise visit by U.S. Senator Jim Inhofe highlighted the August meeting of ACEC OKLAHOMA at the Philbrook Museum.



Ramona Wagner

Ms. Wagner gave ACEC OKLAHOMA members an overview of both the civil and military mission of the Corps and activities in the Tulsa District. She reviewed current and future projects and discussed the roles the Corps plays in project development, design and project management.

Senator Inhofe adjusted his schedule and made a hurried trip back to Tulsa from western Oklahoma so that he could meet with ACEC OKLAHOMA members.

Senator Inhofe, Chairman of the Senate Environment and Public Works Committee, gave members an update on the proposed federal highway bill — SAFETEA — which he is steering through Congress. Inhofe told ACEC OKLAHOMA members that in recent days a compromise has been reached on which he believes the House, Senate and White House can agree. He said that he originally wanted \$325 billion in funding while the House wanted \$275 billion, and that the White House has threatened a veto of anything over \$255 billion.



Senator Jim Inhofe

Inhofe reported that an agreement had been reached on \$289 billion in guaranteed funding and \$301 billion for contract authority for the six-year transportation bill that Inhofe says are good for our economy, will create millions of jobs, fight traffic congestion, and improve the safety of our nation's roads and bridges.

He said that he is confident that the Conference Committee Report will go to the House and Senate in September, and on to the President well before the November elections.

Inhofe also addressed environmental streamlining stating that he was committed to using the best science available in developing environmental policies.

Inhofe also discussed the upcoming state and federal election stating that the Republicans will gain seats in the U.S. Senate, moving to a 55-45 majority. On the state level, Inhofe believes that control of the Oklahoma House of Representatives will switch to the Republi-

cans, and even predicted that Republicans will take control of the State Senate, which would be a first in the state's history.



ACEC Chairman Don Vick presents Senator Inhofe with a \$1,000 check from ACECPAC

Inhofe concluded his remarks by thanking Oklahoma's consulting engineers for their support and saying he looked forward to

working with ACEC OKLAHOMA and ACEC in the future.

ACEC OKLAHOMA and AIA Hosting PSMJ "Project Managers Bootcamp" in November 2 Complete Days of High Impact Training in A/E/C Project Management

The backbone of every A/E/C firm is, and always will be, its project managers. It is of central importance for every practice to develop highly skilled PMs in order to remain successful. Only at PSMJ's Project Managers Bootcamp® will you discover why over 25,000 of top A/E/C project managers have attended this industry-renowned Bootcamp - more than all other PM training programs combined!

That's why ACEC OKLAHOMA is partnering with AIA Oklahoma and the AIA Central Oklahoma Chapter to bring PSMJ's Project Managers Bootcamp® to Oklahoma!!!!

November 18-19 the Project Managers Bootcamp® will be held in Oklahoma City, giving your Project Managers the opportunity to participate in this outstanding program without having to travel halfway across the country. Your firm can save time and money by "staying at home" and still receive the full benefit of PSMJ's expertise.

This information-packed seminar is an engaging course like no other: fostering innovation, increasing productivity, and elevating responsiveness to clients' objectives. You will learn a lifetime of practical information that you can implement immediately to improve your projects and your bottom line.

You are GUARANTEED to walk away with practical strategies and insights on:

- * What makes a strong Project Manager
- * Planning the project
- * Scheduling and methods available
- * Establishing a budget
- * Contracts and negotiations
- * Firm finances and how they influence your project
- * Managing your team effectively
- * Managing your clients
- * Quality control and risk management
- * Productivity management
- * Monitoring budgets and schedules
- * Avoiding problems

Attendees will also receive a comprehensive 300-page filled manual, an in-depth summary of program content including course outline materials, forms, checklists, and reference materials. The field manual addresses virtually every subject that arises.

And, if it's not covered in the field manual, PSMJ instructors will follow up with you to get you the information you need.

The course is infused monthly with new information, related industry changes, and new tools that will revolutionize the way you work today! Even if you are already a PM Bootcamp "graduate", consider all the new information, ideas, and tips you might be missing out on!

Registration fee for ACEC/AIA members is only \$845.00 if registered by October 19th. Firms sending three or more individuals will receive additional discounts:

1. Three registrants from one firm: 1st two at full price, 3rd person at half price.
2. Four registrants from one firm: 1st three at full price, 4th free.
3. Five or more from one firm: 1st three at full price, 4th free, each additional beyond four at 25% off.

Registration information is being sent to all ACEC and AIA members, and is also available on the ACEC OKLAHOMA website at www.acecok.org.

We are certain this program will be of interest to you and your colleagues and we look forward to providing you with the best tools, resources and expertise exclusive to the A/E/C industry.

ACEC OKLAHOMA & AIA Boards To Meet

The Board of Directors of ACEC OKLAHOMA and AIA Oklahoma will hold a joint meeting on Friday, September 17th.

The two Boards will come together to discuss issues and initiatives on which the two organizations can work jointly, as well as how we can work together to make for better relationships between engineers and architects.

If you have specific issues which you would like the two boards to discuss, please call or e-mail ACEC OKLAHOMA as soon as possible. Your input is welcomed and encouraged!

HSA Qualified High Deductible PPO Insurance Plans

A valuable combination of high deductible health insurance
with a tax-advantaged savings account available through ACEC Life/Health Program

Tired of high-cost insurance for your firm employees? Would you like an alternative that saves you and your employees money while offering high-quality coverage, and provides tax savings at the same time?

Well, there's a new option available, recently approved by Congress, to businesses and employees called Health Savings Accounts (HSAs) and the ACEC Life/Health Trust (ACEC L/HIT) is the place to turn for some of the best ideas and strategies for taking control of your health care costs.

ACEC Life/Health Trust offers a variety of Qualified High Deductible Plans (QHDP) to let you choose a higher deductible with a lower premium and take advantage of a Health Savings Account.

What is a Health Savings Account (HSA), you say? Well,

- * **An HSA is a savings account** that you use to pay for your routine health care expenses.
- * **HSAs contain funds** that are owned and controlled by you, the account holder.
- * **HSA savings rollover every year** for your health care expenses and/or retirement.
- * **An HSA is portable**, the funds remain with you regardless of employment.

What power does an HSA give you?

- * **The power to choose** the health care professionals, services, and products that are best for you.
- * **The power to save money** by purchasing a lower-cost, high-deductible insurance plan. HSA funds pay for your qualified and routine health care expenses; insurance kicks in when you have extraordinary health care expenses.
- * **The power of financial security and retirement planning** with HSA contributions that are tax deductible and earn interest tax deferred.

Five Great Reasons to Have a Health Savings Account:

- 1. Tax Savings.** Federally Qualified HSA contributions can be deducted from your gross income on your federal tax return, even if you do not itemize deductions. Many states also allow the deduction from state income taxes.
- 2. Earned Interest.** Funds left to accumulate in your HSA can grow with tax-deferred interest earning.
- 3. Reduced Insurance Premiums.** Your insurance premiums are usually lowered by 20%-40% when you change from a low deductible to a high-deductible plan. You can use these savings to fund your HSA.
- 4. Portability.** Even if you change jobs, your HSA funds go with you. You own your account.

5. Long-Term Savings. You can choose to let the funds in your account grow tax-deferred. After age 65, you may make withdrawals from your HSA for any reason without a penalty.

Qualified HSA Health Care Expenses

Below is a partial list of medical and health care expenses deemed qualified by the IRS or federal courts.

- *Acupuncture
- *Alcoholism (treatment)
- *Ambulance (hire)
- *Braces
- *Childbirth preparation classes (mother)
- *Chiropractors
- *Contact lenses, replacement insurance
- *Crutches
- *Deaf persons - Hearing aid and batteries, Hearing aid animal and care, Lip reading expenses, Special education, modified telephone
- *Dental fees
- *Dentures
- *Diagnostic fees
- *Doctor's fees
- *Domestic aid - rendered by nurse
- *Drug addiction recovery
- *Drugs (prescription)
- *Health Maintenance Organization
- *Hospital care
- *Insulin
- *Laboratory fees
- *Lifetime medical care (Prepaid; retirement home)
- *Limbs (artificial)
- *Nursing home (medical reasons)
- *Obstetrical expenses
- *Operations (legal)
- *Optometrists
- *Orthodontia
- *Osteopaths
- *Prosthesis
- *Psychiatric care
- *Psychologists
- *Psychotherapists
- *Sexual dysfunction treatment
- *Surgical fees
- *Teeth (artificial)
- *Therapy treatments (prescribed by a physician)
- *Transportation (essentially and primarily for medical care)
- *Vitamins (prescription)
- *X-rays

Sound interesting? Want more information?

Contact the ACEC Life/Health Trust today for more information...1-800-237-7767.

New Fair Labor Standards Act "Overtime Rules" Now in Effect

New ACEC-endorsed changes to the Fair Labor Standards Act (FLSA) took effect August 23, and ACEC members are strongly encouraged to review the new rules.

The final regulations establish new standards for classifying employees as exempt and non-exempt from the Act's minimum wage and overtime requirements, subsequently making the regulations easier to follow, and protecting businesses from unfair enforcement actions and lawsuits.

Here is a preview of the summary which has been prepared with the assistance of William J. Kilberg and Jason C. Schwartz of the law firm of Gibson, Dunn & Crutcher LLP in Washington, DC:

Summary of New DOL Regulations on Overtime Exemptions

OVERVIEW: On August 23, 2004, new rules take effect under 29 CFR Part 541 governing "white collar" exemptions to overtime and minimum wage requirements under the Fair Labor Standards Act (FLSA).

Key Elements:

- The new rules eliminate the previous "long" and "short" tests for each of the three primary categories of exemption – executive, administrative and professional – and establish a single standard test for each category, applying to employees earning between \$23,660 and \$99,999 per year.
- Engineering employees earning less than \$455 per week (or \$23,660 per year), will be non-exempt, regardless of duties.
- Engineering employees earning \$100,000 in salary, non-discretionary bonuses and commissions will be considered exempt if they perform office or non-manual work and if they customarily and regularly perform at least one of the duties under the new executive, administrative or professional tests.
- Engineering firms will benefit from significant changes under the new rule to the so-called "salary basis" test. Most significantly, the new rule scales back the "subject to" test that has been used in significant legal actions against engineering firms and other businesses. The new regulations specify that exempt status

would only be affected in situations where an employer engages in an "actual practice" of improper deductions, and only for employees in the same job classification working for the manager responsible for the improper deduction. A new "safe harbor" will also be created for employers who adopt a policy prohibiting improper salary deductions.

The document also contains more detailed information on the following areas:

- Executive Exemption
- Administrative Exemption
- Professional Exemption
- Computer Employees
- Highly Compensated Employees
- Salary Basis Test
- State Laws

ACEC OKLAHOMA members are encouraged to go to the ACEC website at www.acec.org/advocacy and click on the "New FLSA Regulations" link for the complete summary of the new rules specifically prepared for ACEC members.

Concern Over Unrealistic "Standards Of Care"

Standard of care clauses that demand unrealistic mandates of "perfection" are a growing concern in the states according to a recent survey of ACEC state organizations. ACEC's Board of Directors will focus on this issue during a briefing at the Fall Conference in Portland, Maine.

"Owners need to be made aware that despite the professional judgment of an engineer, there will always be factors involved that may require design changes," says Chuck Kopplin, chairman of ACEC's Risk Management Committee.

"Anticipating all the unknowns on every project is impossible. It is important that owners be made aware that, as a project develops, changes in the plans may need to be made," Kopplin added.

The survey notes that owners are increasingly seeking to recover costs from engineers because of perceived errors and omissions, often without approaching the engineering firm about possible solutions first.