



# The Hawai'i Hoisting Machine Operators Advisory Board

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## *2013-2014 Annual Report*

The Hoisting Machine Operators Advisory Board operates as an 'attached agency' within the State Department of Labor and Industrial Relations and administered through the Hawai'i Occupational Safety and Health Division. HMOAB is charged with assuring construction tower and crane operators across the Islands operate hoisting machines in a safe and lawful manner on behalf of the citizens of Hawai'i.



## **Annual Summary**

The past fiscal year, 2013-2014, was a year of transition for the Hoisting Machine Operators Advisory Board (HMOAB). While revenues and membership continues to rise, much of the year was devoted to recalibrating the agency since its establishment fifteen years ago, refreshing its operations, and finding the necessary people to ensure its future success on behalf of the people of Hawai'i.

## **History, Purpose and Administrative Governance**

After its establishment with Act 165 in 1998 by the Hawai'i State Legislature, members of the Hoisting Machine Operators Advisory Board met for the first time in May 1999 and promulgated Administrative Rules, Chapter 12-48 on December 6, 2002, under which it operates today.

The Hoisting Machine Operators Advisory Board, an attached agency of the State of Hawai'i Department of Labor and Industrial Relations (DLIR), exists to verify and certify Island operators of all construction crane and tower machines having a lifting capacity of one ton or more.

This power comes from definitions in Section 12-50-2 of the Hawai'i Administrative Rules (HAR). With Sections 19 and 20 of the State Occupational Safety and Health Law and Chapter 396 of HAR, the Hoisting Machine Operators Advisory Board requires all operators using equipment covered by the American Society of Mechanical Engineers (ASME) B30.5 (mobile and locomotive cranes) to be medically qualified, pass written and practical training examinations, and possess practical experience in order to safely operate hoisting machines in the State. These requirements ensure a minimum competency level of operators, assure employers that potential workers comply with relevant state and federal standards, and provide safeguards for the public that buildings are constructed and maintained using best available practices. Enforcement is covered in section 12-110-50 of the Hawai'i Administrative Rules.

Under the abovementioned Hawai'i Administrative Rules, prospective and renewing hoisting machine operators are required to submit an application for certification (found online at the DLIR website), a current digital photograph of their head and shoulders, and pay the requisite fee of one hundred dollars (\$100.) per year of desired State certification (up to five years). New applicants must also supply a one-time, non-refundable application fee of fifty dollars (\$50.). Replacement or reissued cards are supplied to current operators without cost.

Currently, HMOAB operates with a five-member advisory board, made up of representatives from organized labor and construction management firms, and are appointed by the Governor for four-year, staggered terms, and approved by the State Senate. The Board meets in open session (excepting December) in the DLIR conference room on the third Wednesday of each month at 1:30 p.m. Administrative and financial business for the agency is completed by an Executive Director, who serves at the direction of the Board.

## Agency Funding

The HMOAB revolving fund supports the process of verification and certification of new and renewing hoisting machine operators in the State of Hawai'i. The fund is generated from user fees and covers personnel and operating expenses of the Hoisting Machine Operators Advisory Board. The funds also cover the cost of preparing limited dissemination of information about the certification process, necessary public outreach programs, and the costs associated with the annual reporting of the agency's activities and accomplishments. No taxpayer funds are used in the operation of the Hoisting Machine Operators Advisory Board or its office.



## Current Funding Summary

As all funds are self-generating, the Hoisting Machine Operators Advisory Board projects annual income of \$50,000 per operating year and expenses of approximately \$70,000 each fiscal year. The difference in accounts would be covered by earned income on investments of more than \$300,000, as well as receipts from penalties and fines assessed during the operating year.

In 2014, the Board of Trustees decided to make the position of the Executive Director part-time in order to reassess personnel needs for the future. As a result, the agency's long-time Executive Director Lora Contreras left her position, resulting in a lower than usual expenditures for the fiscal year. At the same time, an improved State economy, especially in the construction trades, helped to bring revenue projections within two certifications of the annual projections.

During the previous year, all revenues are from new and renewal application collections. Expenses include all personnel costs, office supplies and equipment, and legal fees. Differences represent the changes from the previous fiscal year to 2013-2014.

HMOAB	2011-2012	2012-2013	2013-2014	Difference
Beginning Cash Balance	\$ 364,797.	\$ 356,714.	<b>\$ 333,580.</b>	-
Revenues	\$ 36,960.	\$ 34,420.	<b>\$ 49,275.</b>	+43.1%
Expenses	\$ 45,043.	\$ 57,554.	<b>\$ 30,848.</b>	-46.4%
Ending Cash Balance	\$ 356,714.	\$ 333,580.	<b>\$ 352,007.</b>	+5.5%

## Certifications Summary

Since the inception of the agency, the Hoisting Machine Operators Advisory Board has certified over one thousand crane and tower operators statewide. During fiscal year 2014 (July 1, 2013 until June 30, 2014), the agency certified 38 new operators and renewed 44 current operators for a total of 325 HMOAB members statewide, a growth of 9.4 percent from the previous fiscal year.

<b>HMOAB</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-3014</b>	<b>Difference</b>
New Applicants	14	21	20	<b>38</b>	+90%
Renewals	24	38	36	<b>44</b>	+22%
Total Members	340	359	297	<b>325</b>	+9.4%
Response/48 hrs	-	-	80%	89%	+11.25%

## 2014 Agency Highlights

The Hoisting Machine Operators Advisory Board met several benchmarks and accomplishments during the course of the fiscal year. Most prominent was the appointment of two new Trustees by Governor Neil Abercrombie before the end of the fiscal year. The new members, Angela A. Chinen and Richard E. Lentes III, took over for retiring member Donald Gentzler and a vacant position due to an earlier resignation. Their appointments and subsequent attendance allowed the Board to not only work at full strength but break a string of several months when no meetings were held due to the lack of quorum. In addition, a new Executive Director began service on April 2, ensuring meeting notifications and agendas were published and previous minutes of HMOAB meetings are made available to the public online.

Several advancements in the servicing of hoisting machine operators were made during the spring. Most importantly, a direct, low-cost administrative connection was established with the State Criminal Justice Data Center to expedite background checks of all applicants and speed the certification process for both new and renewing members. Now, nearly ninety percent of all applications are processed and positively decided within 48 hours.

Equally important were advancements, conveniences, and simplifications made with the application itself. After a series of revisions, the latest version of the Hoisting Machine Operators Advisory Board application is now available online incorporating several improvements. The number of approved government-issued identification sources has doubled to eight, two additional medical certificates accepted (including the City and County of Honolulu), and the recognition of three additional national training licenses have been approved. As a result of these innovations, HMOAB is able to provide certifications for up to nine specialties, an all-time high for the State.

An improved application form allows for the agency to communicate to its members more efficiently. As a result, lapsed or soon-to-expire memberships are now notified in a timely manner, resulting in greater revenues for the office and greater safety for the public.



Finally, a streamlined procurement process eliminating waste and bureaucracy has been established; further reducing expenses and time needed to pay qualified vendors. Additionally, nearly all printing work for the agency utilizes the State correctional industry, further reducing costs and inefficiencies, and providing renewed value for State taxpayers.



## Trustees Board Summary

With the changes in personnel in the HMOAB Board of Trustees, the end of the fiscal year also saw the end of the chairpersonship of James Weander. While he continues to serve on the Board, Jim's gavel was transferred to Vice-Chairperson Joaquin M. Diaz. Trustee Tristan Aldeguer was elected to serve as the Vice-Chairperson for fiscal year 2014-2015.

**Joaquin M. Diaz, Chairperson** of Kaneohe, possesses a Masters in Management from the University of Phoenix. In addition to his responsibilities with HMOAB, Mr. Diaz is a member of the Hawaii Occupational Safety and Health Advisory Committee and has been a safety professional for more than eighteen years. Joaquin is currently employed as a Director with Hawaiian Dredging Construction Company, Inc.

Serving as a Health, Safety and Environment Manager, **Tristan Aldeguer, Vice-Chairperson** of Waianae, provides various safety consulting services and training. Along with his career in construction safety management, Mr. Aldeguer has spent fourteen years in the occupational safety and health field here in Hawai'i.

Before stepping down as Chairperson of the Hoisting Machine Operators Advisory Board, **James Weander** of Honolulu continues his 45-year career in the hoisting and rigging industry as President of his own consulting firm. He is an active member of the Association of Crane and Rigging Professionals, certified as a field analyst and erector, and has consulted on crane designs, lifting apparatuses, and rigging configurations for some of the world's largest manufacturers and operations.

A resident of Kailua, **Angela A. Chinen** is an instructor with the Joint Apprenticeship Committee of Operating Engineers Local Union #3. Ms. Chinen has nearly thirty years of construction industry experience and is a certified member of both HMOAB and with the National Commission for the Certification of Crane Operators (NCCCO).

Currently employed by Hawthorne CAT in Waipahu where he is responsible for training programs and more than fifty overhead and mobile company cranes, **Richard E. Lentes III** is a certified mobile crane inspector and an experienced safety/health manager. Mr. Lentes came to HMOAB following a successful career in the U.S. Navy.

**Robert M. Armstrong, Executive Director**, comes to the position following a thirty-plus year career in higher education, public relations, and television journalism. Besides coordinating the HMOAB office, finances and activities of the Board, Mr. Armstrong is completing a Masters of Business Administration from Chaminade University, his fourth degree effort, and is locally active in several non-profit organizations.

