



Newsletter

November 2018

Content in this issue:

Membership Report

President's Dinner

CFA Annual Conference Report

President's Year End Report

CFA Identity Pins

Website Reconstruction

WSIB premium information – Important changes

CPP premium information

Membership Report

Thank you for your membership! The Canadian Fabricare Association (CFA) is striving to provide its members with quality programs and services designed to help make our members stronger. If you have suggestions, please contact the Executive Director.

Next month, I will be sending out renewal notices for 2019. Please remit your payments as soon as possible, so that we can budget for programs for next year. As well, we will be providing new decals that require you only to adhere to the inside of the glass and will be viewable from both inside and outside. For those of you that did not attend the conference, please provide me with the number of Member CFA pins you require for all of your counter and delivery personnel. These will be provided to you at no additional cost and be included in your membership benefits.

President's Dinner - If you have not made your reservation for our annual President's Dinner, please do so now. This is your opportunity to enjoy an evening out with your business associates and create a social connection with each other. As well, it is an occasion to show our appreciation to our President and the Board of Directors for their hard work in the past year.

CFA Annual Conference -The following members have been elected to the CFA Board of Directors:

Rob McConnell – Gibson's Cleaners - Toronto

Brad Maxwell – Suede Master - Toronto

Dino Kantzavelos – TSC Wetclean - Mississauga

Michelle Kruilicki – Newtex - Kitchener

Clark McDaniel – Fabricare Cleaning Center - Huntsville

Shelley Clair – Orr Cleaners - London

Artur Keyes – Exttox Industries - Mississauga

Jim St. Pierre - TLC Leather Cleaners - Toronto

John Regan – Fabritec International – Stoney Creek
Bruce Miller – Sparkle Solutions - Concord
Sergio Gosio – Parklane Cleaners - Toronto

On a recommendation by our auditor and lawyer, a motion was made to change from an audited statement to a Notice to Reader Statement and was unanimously passed.

The following speakers made presentations:

Gerard Van Gils of Kemco Systems discussed the savings from utilizing heat reclaiming either from waste water or boiler stacks.. He recommended that before you consider buying or leasing new equipment that you get your house in order first. He recommended that you do proper soil separation in order to reduce detergent, chemical and water consumption. He gave many suggestions on what to add to your equipment to reduce the intake of fresh water that you have to pay for. Gerard informed us about the use of filtration to remove particles from waste water and how reuse and recycle can be cost effective.

Eli Cryderman of Gurtler Chemical spoke about basic laundry chemistry and took the mystery out of chemistry by telling us what each stage does. He reminded us the basic fact that you need four things to balance your washing cycle. **Chemical action – Mechanical action - Temperature - Time.** If you change any one these, then you must compensate with the others. He reminded us that too much chemical can harm the linen and that too little chemical may not give you the clean results you need.

Gary Ostrum of G.A. Braun spoke about the return on investment (ROI) when replacing or buying new equipment. He pointed out that you have to investigate ahead of time and factor in the following costs – Labour, Utilities, Gas, Water, Electricity, Air, Plant loading costs (redu8ig time if plant in operation) Revenue, and Operating hours. He warned us to ask ahead of time i.e. is the supply of gas that is required available in the area, or is there a sufficient line for water intake available i.e. 2” instead if 1”. He is a great resource if you are planning to revamp your laundry facility.

Sandra Haddad of Haddad & Associates spoke on Small Business Obligations / Risks/ Opportunities and explained the WSIB system including when you must report and what records to keep. She stressed the importance of keeping documents of what you have done, especially when it comes to return to work and re-employment obligations. As well, she discussed the use of marijuana in the workplace. .For those of you that require further help, you can contact her at Haddad & Associates at 705-566-1908. Sandra has agreed to be a resource for CFA members.

Paul Mason of Check Point Software Technologies spoke on PCI Compliance & Fraud Protection. He explained how organized crime is involved in cybercrime because it is a nonviolent crime and hard to catch. He spoke about ransom pay and that it does not work anymore and recommend encryption tools to hook up to your computer to protect it against hackers using wifi to attack youor system. He also explained the use of passwords and what not to use. CheckPoint can be reached by contacting

Guen Rabaye Sales Development Representative grabaye@checkpoint.com+1 650-628-2050;
Perla Flores Sales development Representative pflores@checkpoint.com +1 650-628-2170

Christine Jonathan and Christopher West of MacDonald, Sager, Manis LLP spoke on Sexual Harassment in the *Me To Era, an Old Problem under a New Spotlight and Bill 148, and Compliance. They also discussed the legal ramifications of the use of cannabis in the workplace and how to deal with the issues that will arise. Christine will also provide CFA with templates to include in employment contracts to protect the company against lawsuits. Christine Jonathan and Jordan Cohen are the CFA corporate lawyers and are a continuing resource for our membership and have provided a thirty minute free consultation to our members. They can be reached at 416-364-1553. .

John Meijer of DLI gave us an industry update and discussed on-line marketing. He pointed out the advantages of using social media platforms and email to increase sales. DLI is a partner with CFA and you can get information by going to our website www.fabricare.org and clicking on the DLI button. Do not forget to enter your DLI membership number.

Artur Keyes of Extox Industries explained proper methods of managing and reporting solvent usage of solvents and SDS, new labels, spill kits, exposure limits, storage issues, transport of DG, and TDG UN drum markings. He discussed how solvent is recycled and that we are required to comply with the new global system of labeling of hazardous chemicals. He reviewed what is required in handling solvent safely. Extox is the leader in distributing perc and picking up and recycling used solvent in Ontario. He can be reached at 1-800-501-8601.

Pamela Finlayson of Environment Canada and Climate Change spoke on [the federal Tetrachloroethylene \(Use in Dry Cleaning and Annual Reporting\) Regulation](#) that her department administers, and compliance promotion. She advised us that perc is no longer manufactured in Canada. And the regulations that reduce the concentrations and use of perc in Canada. Pamela has agreed to partner with CFA and become a resource for our association. She will provide CFA with a contact on our website to keep up to date on current regulations as well as provide our members help in adhering to these compliance regulations. She can be reached at 416-739-5996. I have included the current regulations below.

Pamela Finlayson of Environment and Climate Change Canada spoke about [the federal Tetrachloroethylene \(Use in Dry Cleaning and Annual Reporting\) Regulations](#) that her department administers, and compliance promotion. She advised us that PERC is no longer manufactured in Canada, and that the PERC regulations are designed to reduce risks to the environment. She also noted the regulations apply to four different activities: the use and sales of PERC for dry cleaning in Canada; and the import and recycling of PERC for any use in Canada. Pamela has agreed to be a contact for our association. She will provide CFA with a link on our website to keep up to date on current regulations, and is available to answer questions our members have about compliance. She can be reached at 416-739-5996 or ec.promcon-on-compro.ec@canada.ca. I have included the current regulations below.

PERC Regulation:

<https://pollution-waste.canada.ca/environmental-protection-registry/regulations/view?id=43>

PERC Regulations Compliance Information:

www.canada.ca/perc-dry-cleaning

www.canada.ca/perc-nettoyage-sec

Gary Ostrum of G.A. Braun substituted on behalf of Gerard O'neill of American Laundry Systems who had an urgent business matter to attend to at the Cleveland Clinic and presented his paper on adding laundry services to your current business., He recommended going after hotel business OPL' (on premise laundries) as the easiest type to acquire and pointed out the advantages that you can provide a hotel that they are unable to do. As well, he suggested going after medical related business such as lab coats from dental, chiropractic, and other doctors' offices.

Warren Gibson of Ontario Laundry Systems spoke on opening a laundromat and adding coin-op to your available services. He discussed the amount of investment that is required and the benefit financial rewards that come with it. Customers visiting the laundromat can bring additional dry cleaning business to you as well. He can be reached at 905-673-1308.

Clark McDaniel of Fabricare Cleaning Center, a valued member of our board and strong supporter of CFA spoke on making a profit through environmental endeavors. He showed us how he applied using green initiatives to acquire grants for installing systems that were ecofriendly green and the financial rewards that came as a result. His own company Fabricare Cleaning Center guarantees 100% satisfaction to its customers.

Dino Kantzavelos of TSC Wetcleaning, another board member gave his rendition of Disruptive Innovation. He urged us to pay attention to what the marketplace e was telling us and provided a comparison between the costs of dry cleaning solver vs wet cleaning in water.

Jacquelyn Stevens of Willms & Shier Environmental Lawyers, our legal environmental law specialist gave an update on environment regulations and discussed inspections and enforcements for operators and what they entail. She recommended that you do not volunteer information without getting legal advice. The ramifications of what you may say may come back to bite you. Jacky is a member of CFA and works diligently with many of our members to protect them against undue hardships. She has agreed to be a resource for CFA members and can be reached at 416-862-4846.

David Biss of Eisenstein Malanchuk LLP, a Washington DC law firm spoke on recovery of funds from Insurance Coverage. He explained how his firm recovers funds for clients that had insurance coverage, but were unable to provide the evidence of it. He is looking for old records including policies and invoices from the previous DCLI days when our members were covered with a policy that had pollution coverage included. This goes back to the time of Eric Hardy and Constitution Insurance followed by Johnson & Higgins Insurance and later Marsh Canada. He can be reached at 202-965-4700.

Karen Maxwell of GreenEarth Cleaning spoke about Customer Relations and Sales. She discussed meeting the service demands of today's consumers. She explained how a store image can reflect on the service to expect, and discussed the benefit of cross marketing. She also recommended that we reward our customers for referrals that bring new customers into our stores. Karen spoke eloquently and her message was greatly appreciated by those in attendance. She is a

great spokesperson for our industry. She can be reached at GreenEarth Cleaning at 877-926-0895 or kmaxwell@greeneearthcleaning.com

The winners of the draw for **Cleaners Supply Gift Certificates of \$100** each were **Shelley Clair of Orr Cleaners in London and Brad Maxwell of SuedeMaster Leather Cleaners in Toronto**

President's Report including presentation of year end statement

Good morning and welcome to the 2018, Canadian Fabricare Association Annual Conference.

My name is Rob McConnell, and I have the privilege of being the President of this outstanding association.

Special welcome to our 1st time attendees. Please raise your hand if this is your 1st conference. We're thrilled you are here and hope you will make it an annual like many others in this room.

I would like you to do something for me. Please stand up and introduce yourself to someone in the room who you have never met and tell them why you are here this today.

You should all be congratulated for taking time out of your busy schedules to invest in your businesses and for supporting the CFA and Fabricare Industry. Give yourselves a round of applause.

While many associations are struggling with decreasing membership I'm thrilled to confirm that the CFA continues to grow and now has members in 6 provinces. The interest in our association across Canada lead to the decision to transition the OFA to the CFA. This is a huge step for us and now we are inviting cleaners across Canada to join our progressive national association.

We all know there is strength in numbers, and as **we** grow, our voice is getting louder and we're being heard and respected by government agencies as well as consumers and garment manufacturers.

Before we begin the formal part of the AGM I would like to share with you a few of the significant initiatives your directors have been working on:

We've contacted companies specializing in Government Grants to assist our members in getting funding for training of new staff.

We continue to build alliances with many government agencies such as Environment Canada, who are with us today.

We've established partnerships and attracted sponsors for this conference so we can have meaningful and informative program.

We established a Best Practices Award Program and will be presenting Certificates of Recognition to the members who participated in the program.

In addition, these submissions were forwarded on to CINET for inclusion in their International Best Practices Awards. We're proud that this international organization from over 100 countries of textile care companies has invited our very own Sid Chelsky to Milan Italy next week to act as a judge in determining the finalists for these prestigious awards. This confirming The CFA is recognized as the leading Association in Canada.

We are currently revamping our website to make it more meaningful and accessible to both our membership and the public. I would like to acknowledge the presence of Richard Ponsonby from Ponsonby Creative who created our new logo and is providing the creative designs for the website.

As well, as most of you can see, we created buttons that our members' front counter, sales reps, drivers can wear to promote the professionalism of our association.

We provided a wage and price survey to illustrate the impact of the new minimum wage increases and we've made representations to various provincial and federal government agencies to support our concerns.

Sid has reached out and forged alliances with many media outlets and now the CFA is recognized as the go to place for questions on cleaning and fabricare maintenance.

He also participated with TSSA (Technical Standards Safety Association) in creating new standards and putting forth concerns of the dry cleaning and laundry industry.

Ladies and gentlemen, we are so fortunate to have Sid Chelsky as our Executive Director. He is the driving force behind the success and resurgence of the CFA. There isn't an hour goes by that Sid isn't sending an email or making a call to help grow the association or assist a member in need. Sid and BRENDA on behalf of all of us here today thank you!!

I would like to thank the board of Directors for their dedication and commitment to the CFA these past years and thank our Allied Trade Partners who are playing a huge part in the success of the CFA.

Respectfully submitted by Rob McConnell, President CFA

There being no further business, we began the speakers program.

During the Gala Dinner on Saturday night, Certificates of Recognition will be presented to the following companies for their submissions to the Best Practices:

Browns Cleaners – Ottawa
Crouse’s Cleaners – Grand Prairie, Alberta
Dove Cleaners - Toronto
Fabricare cleaning Center - Huntsville
Gibson’s Cleaners - Toronto
Parkers Cleaners – Toronto
Premier Cleaners – Ottawa
TSC Wetclean - Mississauga

Best Practices Awards

I had the honour of participating as a judge at the annual CINET conference and ExpoDetergo fair in Milan, Italy. I have written a separate report which will be emailed to you.

As well, eight of our own members were recognized both by the CINET group for their presentations and as well by your own CFA for their submissions.

Wear your pin with pride

The following copy of our new pin will be sent out to all our members when they renew their membership for 2019. Please advise me how many counter persons and sales representatives you have and I will send you the number of pins you require. There will be no charge for these pins and we hope you will all have your staff wear them to promote your professionalism to the public. Let your be aware of the importance of letting your customers know that your company is a proud member of CFA and adheres to the best practices in the industry to provide our customers with the best care possible for their garments.

We have also upgraded with new features and to access information for consumer and our Please visit it soon to see

our website made it easier both the members. the changes.



Website Reconstruction

I am pleased to report that our reconstruction of our website is nearly complete. It will be an ongoing process as we will be using a new method called "Word Press" which will allow myself and Becca to make changes to the website more easily and quickly. We will be showing some of the new website at the conference and hopefully will be fully operational by the end of this year.

The end result will be a place where consumers can go to find their nearest Certified Environmental Cleaner and get helpful hints that will protect their garments from any further damage as a result of the use of inaccurate home care products.

It will also be a place where members can go to and get answers immediately or access the DLI website for technical information, etc.

On your renewals, you will find that we listened to our members complaints about the current decal which may have caused problems in removing older decals from the glass windows. The new decals will be placed on the inside of the glass and be visible from both sides.

Canada: Ontario Government Announces WSIB Premium Relief for Employers

Last Updated: October 2 2018 Article by [Liam Ledgerwood](#), Siskinds LLP

On September 26, the government of Ontario [announced](#) that Workplace Safety and Insurance Board ("WSIB") premium rates for employers will be reduced due to a steep reduction in the WSIB's Insurance Fund's unfunded liability.

In the announcement, the provincial government stated that "the WSIB will be able to cut the average premium rate for employers by almost 30 per cent, starting January 1, 2019." According to [the WSIB](#), premiums for Schedule 1 employers will decrease from an average rate of \$2.35 on every \$100 of insurable payroll in 2018 to an average of \$1.65 on every \$100 of insurable payroll in 2019.

The unfunded liability is the shortfall between future obligations to pay injured workers and the money available to pay them. It was an estimated \$14.2B in 2011, but had decreased to \$4B in 2016 and only \$2.6B in 2017 after the WSIB and the provincial government increased premiums and improved administrative efficiency.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Canada: Don't Forget About the Upcoming Changes to CPP

Last Updated: October 9 2018' Article by [Employer Advisor](#) and [Gregory J. Winfield McCarthy Tétrault LLP](#)

Many employers operate in industries where it is necessary to control and be ever-vigilant with respect to rising expenses. Many industries offer slim profit margins and, as with the minimum wage increases in various jurisdictions in 2018, this can have an impact on profitability as well as planned staffing levels for many employers. With this in mind, there seems to be little attention being paid to the upcoming increases in employer and employee contributions to the Canada Pension Plan ("CPP")¹ to commence effective January 1, 2019.

What are the CPP contribution increases about?² – Put very simply, starting in 2019 (albeit phased-in) CPP benefits will increase in two broad ways. First, the basic CPP benefits will increase from a target replacement ratio of 25% of a contributor's average "pensionable earnings" over an estimated 40 years of contributions to 33.3%. Secondly, starting in 2024, an extra tranche of earnings will be added to what constitutes pensionable earnings so that approximately \$10,000/year more is considered pensionable earnings. Of course all of this comes with a cost and both employer and employee CPP contribution increases are just around the corner starting in 2019. Because these are being phased-in over a fairly long period of time, initially the increase will be small (e.g. the first element will yield increases in the contribution rate for employers in 2019 from 4.95% of covered earnings to 5.10%). The estimates are that the increased annual contribution for an employer under the first set of changes will be no more than \$650/year. The second element of changes is also to be phased in, starting in 2024 and will require additional employer contributions equaling 4% of the incremental amount of additional earnings that will be covered by the CPP.

Two things for employers to think about – While the increased contributions employers will bear are not immediately large, over time they become more significant and also yield a higher CPP benefit for employees contributing to the program. Accordingly, employers who have not already done so, may wish to start thinking about two things. The first is whether they want to take these increased expenses into account when developing compensation models for employees (i.e. in its simplest form, reducing annual wage increases starting in 2019 or later to absorb these costs) in an effort to control costs. Clearly, the latter will have to take into account obligations and timing of renewals of collective bargaining agreements with respect to unionised employees as well as risks of constructive dismissal for non-union employees. The second is only for those employers with some form of defined benefit ("DB") or defined contribution ("DC") retirement savings program. In the case of those employers, it probably makes sense to review the outcomes expected for their employees under enhanced CPP and determine whether there should

be a reduction in the accrual rates (for DB) or the contribution rates (for DC) of their programs so that there is no over-saving. That is, some commentators believe that in the fullness of time some participants in CPP will be over-saving for retirement and essentially will see earnings that could be spent on current needs or desires needlessly curtailed if no changes are made to savings patterns and the individual ends up applying finite resources to savings that will prove to be excessive. Accordingly, subject to factoring in obligations under collective agreements and potential risks relating to constructive dismissal, a thoughtful review of employer's programs may well result in design changes or caps on benefits or contributions (particularly where employees share the cost burden with the employer) that will result in more current earnings finding their way into the pockets of their employees.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.