

HAPPY HOLIDAYS!



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- Navigating Workforce Challenges in a Changing HVAC Landscape
- One Missed Deadline Could Cost You
- Recapping our 2025 Holiday Party
- State of Our Industry
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- Our 2025 Year In Review
- Do You Want To Save Taxes?
- And more!

Wishing our members a warm and prosperous holiday season! As we wrap up another year of innovation and industry growth, we look forward to a successful and productive 2026 together. Thank you for your continued commitment to excellence in HVAC.

SAVE THE DATE

February Membership Meeting
Thursday, February 12, 2026
5:30 - 8:00 PM
The Halston





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Mike Newman
Standard Refrigerators, Inc.

From the President

Dear MACC Members,

As my time as President of MACC comes to an end, I find myself reflecting on what this journey has meant to me. Serving this association has truly been one of the great honors of my professional life. Working alongside this Board, our dedicated members, the association and everyone who gives their time and heart to MACC has been nothing short of extraordinary. We didn't just attend meetings or solve problems — we built something together. We grew, we learned, we supported one another. It was, in every sense of the word, legendary.

Now, I proudly pass the torch to Sean Libby. Sean embodies the spirit, drive, and leadership that MACC stands for. I have complete confidence that under his guidance, this association will continue to rise, evolve, and reach new heights. I'm excited to see where he leads us — and I'll be cheering him on every step of the way.

But before I step back, I want to share one final request: We need you.

Your involvement, your voice, your presence — they matter more than you know. MACC is at its strongest when its members are active, engaged, and invested in our shared success. If you've ever thought about stepping in a little more — this is your sign. We grow this together.

Thank you all — for your trust, your friendship, your laughter, and your support. This experience has meant more to me than I can truly express.

Always be legendary!!

With deep appreciation,
Mike Newman
Outgoing President, MACC



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Editor's Notes

By Anthony N. Carbone

Navigating Workforce Challenges in a Changing HVAC Landscape

The ability to do work with the current labor market gets more difficult annually. We as an organization are creating ways for people to look at our industry and realize the business of HVAC can be lucrative. We have partnered with other organizations and schools to create an avenue for people to see there are ways to be trained in the mechanical field and become an asset to a company and be paid handsomely, and even potentially start their own business. Not all young adults are geared for web design or program coders or computer related careers. In my days of high school, the shop classes allowed students to explore mechanical professions such as woodworking, auto mechanics, and metal shop. Thomas Edison High School was designed for students to become electricians. I believe a turnaround has begun where people are looking for alternative careers. We used to say, "Johnny is not book smart," but he sure can change a carbonator and pull an engine on a car. The HVAC business is also seeing a merge of mechanical working equipment and technology. These units are giving signals and codes to use plug in computers to diagnose these faulty units.

This topic leads me to the fact when seeking employees for HVAC companies like mine in Bayside, Queens and in Great Neck Long Island, many of our employees come from distant places like Suffolk County, some from Brooklyn and the Bronx. Qualified mechanics serving my territory of Nassau's North Shore of Long Island, with the travel time being a factor to them to get to work or to get home. We have purchased clean pass vehicles for some of our sales team and delivery people. The travel efficiency of getting employees home quickly was worth the investment in these hybrid vehicles to get them home in the clean pass lanes (HOV). Recently, this has been taken away for us! The change in rules that politicians are blaming each other for has caused chaos and traffic on the Long Island Expressway. Many of these employees are becoming frustrated as it is taking them double the time to get home. The change of rules should be for future purchases. We as owners have already invested in these clean pass hybrid vehicles and now these employers have had the rug pulled from underneath them. Totally, unfair to suddenly change the rules of the HOV lanes. These employees are scrambling for alternate routes to get home. We have allowed employees to leave 15 minutes earlier or assist them in getting home at a reasonable hour as a 45-minute drive home is now an hour and a half. There is a potential that some employees may seek positions closer to their home. Let's see how this obstacle plays out. We are thinking of buying everyone jet packs for air travel to transport people!!! The Jetsons type of transportation is really needed now! What are your thoughts??

Anthony Carbone
Systematic Control Corp.



CALENDAR | 2026

JAN 15	FEB 12	MAR 5	APR 9
Board Orientation Blackstone's 4 - 8 PM	Membership MTG The Halston 5:30- 8 PM	Board MTG ONLY Location TBD 4-6 PM	Membership MTG The Halston 5:30- 8 PM
MAY 14	JUN 12	JUL	AUG 10
Cocktail Social DelVino 6 - 9 PM	Mets Outing Citi Field 7 PM	Adjourned For Summer	Golf Outing Village Club 9 AM
SEP 17	OCT 8	NOV 5	DEC 3
Membership MTG The Halston 5:30- 8 PM	Board MTG ONLY Location TBD 4-6 PM	Membership MTG The Halston 5:30- 8 PM	Holiday Party Location TBD 6:30- 10:30 PM

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Statement from Stuart S. Zisholtz, Esq.

ONE MISSED DEADLINE COULD COST YOU

A couple of times a year I provide an update to the construction community on the time frames associated with filing a mechanic's lien and pursuing various claims. There are serious misunderstandings when it comes to the correct time frames. Shockingly, most contractors and subcontractors do not know the correct time frames associated with filing a mechanic's lien. Every contractor, subcontractor and supplier should know the correct time frames to properly protect their receivables. You would expect your doctor to know the fundamentals of medicine when administering any form of treatment. Similarly, it is expected that someone in the construction business should know the important criteria needed to protect their receivables.

I cannot emphasize enough the importance of filing a mechanic's lien. Many times it is the difference between getting paid and not getting paid. By filing your lien you are protecting your interests. By not filing your lien, you may be jeopardizing your right to collect anything. Do not, however, wait for the last day to file your lien. Once the general contractor has been paid by the owner, your lien is essentially worthless.

Furthermore, many payment bonds contain strict requirements that notices be served on various parties within a specific time frame. Once that time frame expires, your right to recover may be jeopardized.

Be aware of the various pitfalls that exist. The general contractor, owner or surety may drag you along until your time to file a lien or pursue the payment bond expired. I have, therefore, listed the various time frames associated with filing a mechanic's lien or making a payment bond claim.

Private Improvement:

One family (also two family suggested)	4 months from date of last item of labor or material
Commercial and more than one family	8 months from last item of labor and materials
Duration of Lien	1 year

Renewal:

One family dwelling	Court Order
More than one family and commercial, first year renewal	Notice of Renewal
After one year of more than one dwelling and commercial	Court Order

Public Improvements:

Lien	30 days after completion and acceptance of job
Duration	1 year
Renewal	Court Order

Payment Bond Notice:

Notice Directed to any two of Owner, Bonding Company or Contractor	Usually 90 Days
Time for Commencement of Action	Usually 1 year
Direct Contract with Principal	Usually no notice required
Time for Commencement of Action	Usually 1 sometimes 2 years

Never let your lien time run out!

For a free copy of a pamphlet pertaining to mechanic's liens and payment bond claims, please contact me.

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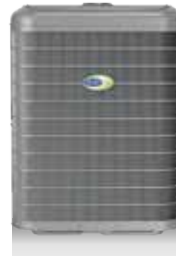
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MACC's Annual Holiday Party!

Thank you all for who attended and for everyone who donated to Toys for Tots!





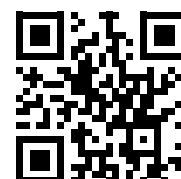
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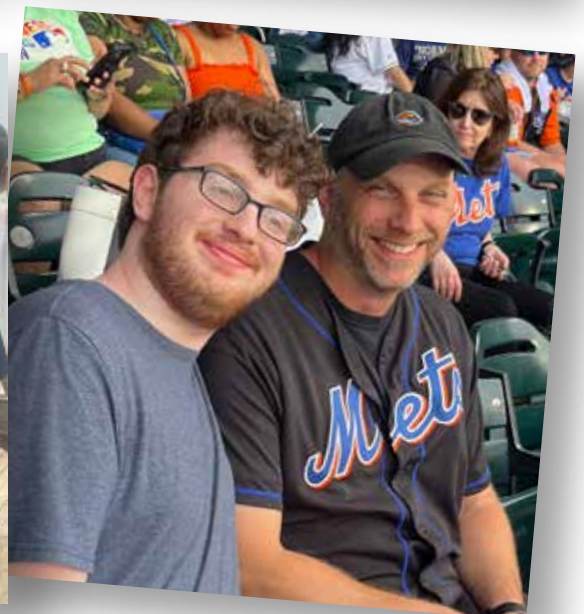
MACC'S 2025 YEAR IN REVIEW

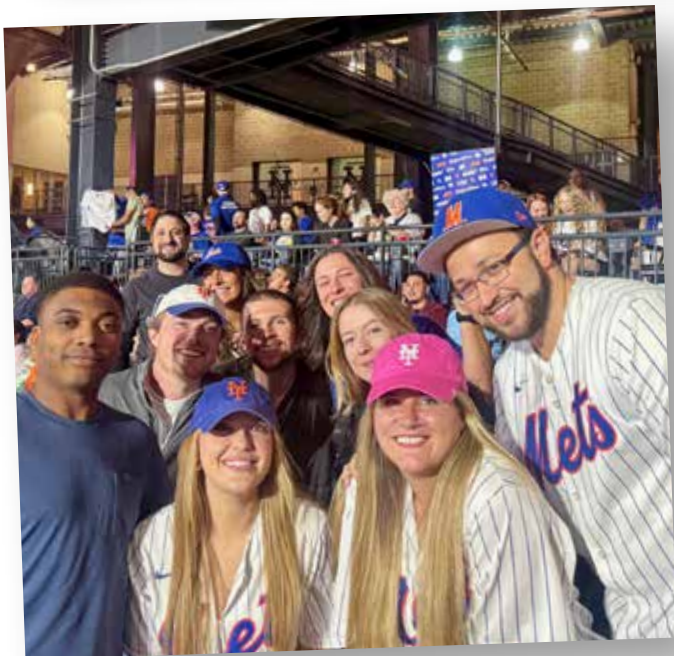
As we close out another successful year at MACC, we're proud to reflect on everything we've accomplished together. From packed membership meetings to hands-on training sessions, networking events, and special gatherings, 2025 was filled with energy, collaboration, and growth across our HVAC community!

Each event brought new connections, shared expertise, and stronger relationships within our industry—reminding us why MACC continues to be such a vital resource for contractors and partners throughout the region.

Thank you to our members, sponsors, and all who contributed to making his year exceptional. We're excited to carry this momentum into 2026 and look forward to another year of engagement, innovation, and opportunities that strengthen our association and the HVAC professionals we proudly represent.









Editor's Notes *By Jason Staiano*

State of Our Industry: Navigating Innovation and Opportunity

As we move toward the close of the year, our industry stands at the intersection of major regulatory change, rapid technological advancement, and soaring market demand. This environment presents both significant challenges and opportunities for every professional in our industry, from the ones just starting off to the veterans that have been in this industry for decades.

The Current Environment

Today's landscape is defined by three critical C's:

- 1. Compliance:** The shift to low-Global Warming Potential (GWP) refrigerants is no longer a future concept—it is here. The January 1, 2026 compliance deadlines for new commercial refrigeration and many new HVAC systems are creating an urgent need for upskilling and strategic inventory management. We must prioritize proper A2L refrigerant handling, safety protocols, and new system design to ensure seamless compliance for our clients.
- 2. Conversion (Electrification):** Government incentives and a focus on sustainability are accelerating the adoption of high-efficiency heat pumps in both residential and commercial sectors. This push for electrification is changing the equipment we install and service, making us critical players in the clean energy transition. It is also creating a real need for technologies that help to reduce electrical consumption.
- 3. Connected Technology:** The integration of Smart HVAC, IoT sensors, and predictive maintenance is becoming standard. Customers expect real-time data, remote control, and systems that anticipate problems. This technology drives efficiency and creates new opportunities.

AC/R Compressor Evolution

The transition to new refrigerants is impacting the core of every system: the compressor. Manufacturers are redesigning these components to handle the lower discharge temperatures and slightly different volumetric capacities of A2L refrigerants.

- **Scroll Compressors:** These continue to dominate the residential and light commercial markets. They are being optimized with Enhanced Vapor Injection (EVI) technology and variable speed drives to boost efficiency in heat pump applications, particularly in colder climates.
- **Reciprocating Compressors:** While their use is declining in large commercial applications, they remain important in niche refrigeration. New designs are focused on ensuring compatibility with synthetic lubricants required by A2L and next-generation refrigerants, which is crucial for reliability. Many that are currently in operation can handle the refrigerant conversions, and in some cases might need certain components to be changed on them, but are relatively easy and doable. Reciprocating manufacturer production are especially surging in the CO2 applications. There has been a major rise of CO2 systems to help future proof systems from the mayhem of mandated refrigerant changes.
- **Screw Compressors:** These heavy-duty workhorses are standard in large chillers and industrial applications. Expect to see significant developments in Variable Volume Ratio (VVR) technology to dynamically adjust to changing load conditions and maximize energy efficiency with the new refrigerants.

What to Expect and Look Forward to in 2026

The coming year will solidify the changes currently underway, but it also brings exciting opportunities for those ready to adapt.

- **The Heat Pump Revolution:** Expect the demand for heat pump installations and specialized service to grow significantly. This means an increased need for technicians trained in the complexities of cold-climate and Variable Refrigerant Flow (VRF) systems.
- **Upskilling is Essential:** The primary bottleneck for our industry remains the skilled labor shortage. Our collective focus in 2026 must be on training and recruitment. Cross-training our teams on new refrigerants, heat pump technology, and smart controls will be crucial to keeping up with market demand.
- **Service Advantage:** With the new, more complex systems and the emphasis on energy optimization, long-term service agreements and remote diagnostics will become more valuable than ever. We can leverage IoT and AI tools to offer better system performance, preventative maintenance, and clear energy-saving metrics to our clients.
- **Focus on Indoor Air Quality (IAQ):** Post-pandemic awareness of air quality is permanent. Advanced filtration (MERV 13+), UV-C sterilization, and energy-recovery ventilation (ERV/HRV) will continue to be high-demand service additions, positioning us as essential health and comfort providers.
- **Continuation of Energy and Carbon Reduction:** There will still be a major focus and push for energy and carbon reduction, especially with state and local mandates pushing for it. Its important to educate yourself with what technologies are available to be able to offer the right options to the industry. VFD drives are becoming more and more common on systems, either integrated direct from factory on new systems or being retrofitted onto existing systems. VMF(Variable Mass Flow) technology is another industry development, that enables systems to run more efficiently and achieve significant energy reductions on systems.

The next year will be a period of intense learning and strategic investment. By embracing the new regulatory requirements as opportunities for innovation and getting involved with your local industry, such as MACC we can all work together to help navigate the upcoming changes, challenges and opportunities.

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SPOTLIGHT:

Jack Fanneron - Executive Vice President, Ainsworth USA

Most children don't dream of a career in the HVAC industry, and Jack Fanneron is no different. He didn't grow up obsessed with HVAC - if anything, he once thought he might be a priest. But like a lot of people with a blue-collar parent, he ended up following a practical route. His dad always talked up the steady life of trade work and pushed him toward engineering, so that's what Jack studied.

After maritime school and a six-year stint as an officer in the Naval Reserve, Jack got his foot in the corporate door with United Technologies' Carrier division. One opportunity led to another, he soon was recruited by a large corporate firm running HVAC operations around the country, managing big jobs and big teams, traveling way more than he ever pictured. At first, the travel felt exciting. But somewhere along the line, raising four kids with his wife Betty started to matter more than a meeting in an exotic city. "It takes a toll," Jack says. "You blink and you're missing out on the best parts of your own life."



His career hit a real crossroads when his job started to conflict with his sense of right and wrong. He doesn't go into details, but it was the kind of ethical line he wasn't willing to cross. He resigned, risking all his security, because in his mind, no paycheck was worth his integrity.

After that, he started working for BP Air Conditioning in New York. It was a step back, running a much smaller department after having handled far bigger numbers. But Jack saw it as a chance to do things his way, with people who cared about more than just the bottom line. He worked hard, building the service division from a \$2 million niche to a \$35 million engine. Jack soon became President of the 100 million dollars plus BP Group. He oversaw the transition of the company to an ESOP in 2016 and eventually helped sell the whole company to Ainsworth in 2021. The deal he struck wasn't just about money. He made sure everyone in the ESOP got their share from the sale. "It wasn't about a quick buck. I wanted it to be fair to the people who built BP."

Jack's proud of the growth, but what matters most is the way he did it. He always tried to choose people over profits. He always came back to what felt right for his family and his team. He thinks sometimes that gets forgotten in business, but it shouldn't be optional.

If you ask him how things have changed in the trade, he'll tell you straight: new tech and smarter systems, a lot more computers, a lot less with old-fashioned tools. "Half the job now is on a laptop," he jokes. But he's quick to add - there will always be a need for someone to show up in person, check the machinery, really solve problems. The disappearance of hands-on skills is something that makes him nervous, and he worries about who's going to do these jobs if young people keep getting pushed toward four-year college by default. "Most people don't know you can start out in this line of work at eighteen and out-earn your buddies who are still finishing school." He's hired men and women alike, seen all kinds thrive, and he wishes more people realized this path is wide open to anyone willing to work and learn.

What does he love most about all of it? Watching people succeed. Bringing someone in as an apprentice, watching them figure things out, seeing them take pride in a job well done. "That's the good stuff," he says. If he could change anything, it'd be the way people outside the trades still look at these jobs—blue-collar work is still seen as less than, for no good reason.

If you ask Jack whether he'd recommend this career to the next generation, he doesn't hesitate. "Absolutely. There's good money, real security, and you end every week knowing you did something real." For him, effort and attitude matter more than a fancy resume, and he's seen plenty of people build good lives by sticking with it.

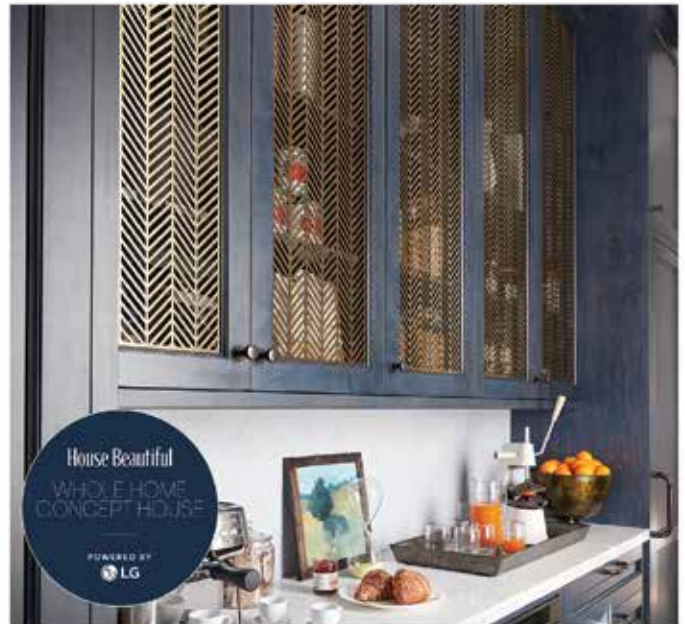
Jack got involved with the MACC when it was still known as ACCA. He wanted to learn, to hear what worked for others, and share what he'd picked up. "I was in a corporate environment, and they were mostly small business owners who were privately held companies," says Jack. "So, I really got a feel on how they operated their businesses, and I was able to incorporate that into my career." Over time, he ended up taking leadership roles, even running the New York chapter. He liked connecting with people who dealt with the same challenges, and he liked the chance to help younger folks coming up. "I learned servant leadership from some of the old-timers," he says. "You work for your team, not the other way around."

Now, with a few decades under his belt, Jack's shifting his focus. He's officially "retired," but stays on part-time as a consultant - which is just fine with him. He's back to traveling, but now it's with Betty: to France, to the Carolina beaches with the whole family and his grandchildren, and an upcoming cruise with Betty to the Mediterranean. He's traded Monday morning flights for family trips and home-cooked meals. Without Betty's support, Jack states "He would never have had the blessed career over the last 40 years without her support." And he's exactly where he wanted to be all along - with his wife, his family, and the comfort of knowing he did things on his own terms.

For Jack, the story isn't about big titles or even the size of the business that he and the BP team built. It's about personal integrity, doing right by people, and choosing family over ego. "Put your people first, stick to what you believe, and things tend to work out," he says. With a successful career and family to show for it, it's hard to argue.



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Do you want to save taxes?

Hire your children

As a small business owner, you should not overlook the opportunity to provide your children with a job that will provide them with a great work experience. Also, there may be some tax advantages to hiring your children, particularly after the Tax Cuts & Jobs Act (TCJA 2018) which made the impact of the "Kiddie" tax a lot less fun for the taxpayer.

Tax leverage

If your child is under the age of 18, hiring him/her can really save on taxes because the tax code provides that "service performed by a child under the age of 18 in the employ of his father or mother" is generally not subject to Social Security tax.ⁱ

The savings of not having to pay Social Security tax can add up because businesses and employees each contribute 6.2% of an employee's wages (up to \$168,600 in 2024) to Social Security. Therefore, employing your children may lead to a combined Social Security tax savings of 12.4% of your child's wages.

Additionally, regardless of your child's age, the federal income tax savings can be significant. Let's say you have a successful business and you are subject to a marginal income tax rate of 37%, not including state income taxes. Hiring your child can save you 37 cents for each dollar paid to your child, assuming the wages paid to your child are considered "reasonable" and deductible. While your child will have to include the wages in his/her gross income, your child is allowed a standard deduction that may eliminate his/her taxable income.ⁱⁱ

Even if the standard deduction is not enough to completely offset your child's taxable income, your child is probably subject to a lower marginal income tax rate than you. For 2022, 2024, -your child will be subject to a 10% marginal tax rate with taxable income up to \$11,600 and subject to a 12% marginal tax rate with taxable income up to \$47,150. Also, by shifting income to your child, you may be able to avoid both the 3.8% surtax on unearned income and the 0.9% surtax on earned income so, the net tax savings for the family unit can really add up.ⁱⁱⁱ

Retirement savings

Once you hire and pay your child, he/she will have earned income so that he/she can get a head start on saving for retirement. Many qualified retirement plans have age restrictions, such as not allowing an employee to participate in a company's 401(k) plan if the employee is under age 21. If your company's qualified plan restricts your child from participating now, Individual Retirement Accounts (IRAs) may be an alternative.

One option may be to establish a Roth IRA for your child. While contributions to a Roth IRA are made with after-tax dollars, this may be a moot point if your child's income is below the standard deduction and, thus, your child pays no income tax. The lesser of your child's earned income or \$7,000 can be contributed to a Roth IRA in 2024, allowing contributions to grow tax free, in addition to qualified distributions being tax free. Note that distributions of earnings from a Roth IRA before age 59 ½ may be subject to a 10% penalty tax, subject to certain exceptions. You can make the contribution for your child if your child does not have the cash, as long as your child has sufficient earned income. Starting to save for retirement early in life provides a lot of time to let compounding work its magic.

Another option may be to establish a traditional IRA for your child. Contributions to a traditional IRA are made with pre-tax dollars, although there are deductibility phase-outs depending on a taxpayer's AGI, which should generally be inapplicable to your child. Distributions from a traditional IRA are taxable, but since distributions do not have to be taken until your child reaches age 73, there are many years for the IRA to grow in value and provide retirement savings for your child. Note that distributions from a traditional IRA before age 59 ½ may also be subject to a 10% penalty tax, subject to certain exceptions.

Depending on your child's income tax situation, a Roth IRA may be a better option since qualified distributions are tax-free and there are no required minimum distributions during your child's life.

Use business dollars to pay for your child's education

If your business has a written educational assistance program,^{iv} your business may be able to deduct up to \$5,250 of education expenses each year for your child and your child can exclude this amount from his/her income as long as your child is employed by your company. There are anti-discrimination rules under this type of plan, so other employees have to be offered this benefit as well. Additionally, not more than 5% of the total benefits paid each year under the plan can be for the benefit of the owners, their spouses, or their dependents – note that even when a child is not a dependent, ownership attribution rules may result in a child being considered an “owner” of the business for purposes of this plan.

Beware of the “Kiddie” Tax

To discourage parents (and grandparents) from shifting unearned income to their children (or grandchildren) who are subject to lower income tax rates, Congress enacted the “Kiddie” tax, which used to impose a *parent’s* marginal income tax rate on a child’s unearned income (i.e. interest and dividends) above certain amounts.^v

However, if you hire your child in your business, you can help your child’s *earned* income exceed more than half of his/her support and avoid the “Kiddie” tax on *unearned* income altogether. Thus, if you can avoid the “Kiddie” tax, your child would pay income tax on his/her unearned income at his/her income tax rates instead of at the parent’s marginal income tax rates, potentially saving taxes overall.

Conclusion

Hiring your child to work in your business can provide many tax and non-tax benefits to the family. In addition to the tax benefits discussed, the experience may give your child a strong work ethic and an appreciation for the effort of earning money. Don’t forget, however, to comply with the regulations and procedures regarding hiring employees so that the employment relationship between your business and your child is bona fide.

Please consult with your Guardian Financial Representative if you have any questions concerning this document.



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ⁱ IRC § 3121(b)(3)(A). This exclusion from having to pay Social Security tax does not apply to corporations.

ⁱⁱ However, note that in 2022 the standard deduction for a taxpayer who can be claimed as a dependent by another taxpayer cannot exceed the greater of (a) \$1,100 or (b) \$350 + earned income, but not more than the regular standard deduction, \$12,950.

ⁱⁱⁱ These surtaxes only become applicable when adjusted gross income (AGI) is \$250,000 for someone married filing jointly, or \$200,000 for a single individual.

^{iv} IRC § 127.

^v Or \$1,100 (IRC § 63(c)(5)(A)) + child’s itemized deductions directly connected with the production of his/her adjusted gross income, if greater. See IRC § 1(g)(4)(A). Amount under IRC § 63(c)(5)(A) may change annually due to inflation.

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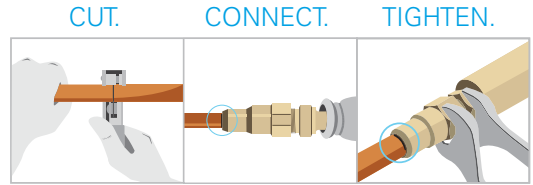
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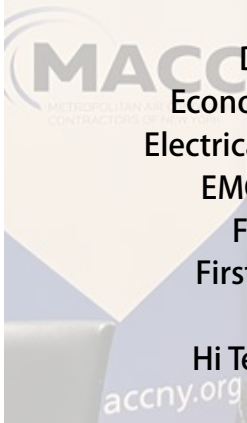
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