



2014- 2015 Annual Report

Hoisting Machine Operators Advisory Board

An 'Attached Agency' of the Hawai'i
Department of Labor & Industrial Relations
For Fiscal Year Ending June 30, 2015

An Introduction to HMOAB

The Hoisting Machine Operators Advisory Board operates as an ‘attached agency’ within the State Department of Labor and Industrial Relations and is administered through the Hawai’i Occupational Safety and Health Division. Since 1998, HMOAB has been 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.



A Message from the HMOAB Chairperson Greetings!

We present our annual report to interested parties and individuals for review. In this report, you will find activities and initiatives our Board has and is undergoing to service our “customer.” We work diligently to ensure our crane operators are licensed for safe operation of construction cranes which protect the health and safety of our workforce and community. Safety, or its absence, can have a tremendous impact on the productivity of construction projects, the well-being of the community, and the progress of government and business affairs. Our primary objective is to present highly skilled and competent operators to prospective employers with safety as their number one goal when operating construction cranes.

This annual report includes information on the Board Members who represent labor and business, the activities and actions of our Executive Director, and other appropriate highlights of our actions during the past twelve months. As professionals chosen by the public, we exercise diligence and the cautious use of public funds. We welcome public accountability and scrutiny of our actions in the exercising of the duties we’ve been sworn to uphold.

With Aloha,



Joaquin M. Diaz

Joaquin M. Diaz, Chairperson of Kaneohe, is a member of the Hawai’i Occupational Safety and Health Advisory Committee and has been a safety professional for more than eighteen years. Mr. Diaz is currently employed as a Director with Hawaiian Dredging Construction Company, Inc. and earned a Masters in Management from the University of Phoenix here in Honolulu.

Annual Summary

The past fiscal year, 2014-2015, was a year of assessment and renewal for the Hoisting Machine Operators Advisory Board. While cash balances and membership levels set all-time records, in large part due to the robust construction economy of the State; much of the year was spent strengthening the services and operations provided, refocusing goals and initiatives, and preparing for future developments and changes both at the national and statewide levels. In addition, the agency returned a small 'surplus' back to the taxpayers of Hawai'i, the second straight year for this accomplishment in the organization's sixteen-year history.

Board of Trustees



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

A resident of Kailua, **Angela A. Chinen** is an instructor with the Joint Apprenticeship Committee of Operating Engineers Local Union #3. Ms. Chinen has thirty years of construction industry experience and is a certified member of both HMOAB and 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. Lenten III** is currently a certified mobile crane inspector and an experienced safety/health manager, following a successful career in the U.S. Navy.

James Weander of Honolulu continues his 46-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.



Agency Funding

The HMOAB revolving fund supports the process of investigation, 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 and disseminating information about the certification process, necessary public outreach programs, and the costs associated with the annual reporting of the agency's activities and accomplishments. We are

proud to report the Hoisting Machine Operators Advisory Board and its office operates without expense to the taxpayers of the State of Hawai'i.

Current Funding Summary

As all funds are self-generating, the Hoisting Machine Operators Advisory Board projects annual income of approximately \$40,000 per fiscal year and an equal amount of expenses. Having now operated for an entire fiscal year since the HMOAB Board made both the Executive Director's position and the HMOAB office part-time, the agency has realized significant savings and efficiencies under the leadership of its current Executive Director Robert M. Armstrong.

Despite a robust construction economy and a record number of certification approvals and renewals, a HMOAB decision this past fiscal year to allow applicants to choose their certification period time from between one to five years instead of only five, has resulted in a decline of annual revenues by nearly twelve percent. While this modification allows individual members, corporations, and unions' greater financial flexibility and was greeted with widespread approval statewide, it is believed HMOAB will now see more limited but stable and consistent money flows coming into the office for the next half decade. It also provides a more accurate balance of revenues and expenses than in the past. This effect is already noticeable in the chart below.

During the previous year, all revenues come from either application collections or interest income. Expenses include only personnel costs and usual office operating expenses. The rise in expenses this year is the effect of operating the office for a full twelve month period instead of a vacant period last fiscal year when there was a change in executive directors and the office was briefly unattended.

HMOAB	2012-2013	2013-2014	2014-2015	Difference
Beginning Cash Balance	\$ 356,714.	\$ 333,580.	\$ 352,007.	-
Revenues	\$ 34,420.	\$ 49,275.	\$ 43,451.	-11.8%
Expenses	\$ 57,554.	\$ 30,848.	\$ 34,560.	+12.%
Ending Cash Balance	\$ 333,580.	\$ 352,007.	\$ 360,898.	+1.025%

Certifications Summary

Since the inception of the agency, the Hoisting Machine Operators Advisory Board has certified over one thousand different crane operators statewide. During this fiscal year (July 1, 2014 to June 30, 2015), the agency certified a record 61 new operators and renewed 53 current operators for a total of 408 HMOAB members statewide, a growth of 26 percent from the previous fiscal year. Interestingly, statistics suggest the agency commonly sees two months of a high number of applications followed by one slower month, perhaps a reflection of business decisions made during each construction quarter of the year.

HMOAB	2011-2012	2012-2013	2013-2014	2014-2015	Difference
New Applicants	21	20	38	61	+62%
Renewals	38	36	44	53	+20.5%
Total Members	359	297	325	408	+26%
Response/48 hrs	-	80%	89%	91%	+2%

2014-2015 Agency Highlights

The Hoisting Machine Operators Advisory Board spent the past fiscal year evaluating and refreshing the systems and practices it provides on behalf of the citizens of the State of Hawai'i. While it is clear the year brought with it relatively good economic progress externally and a record number of applications, the agency processed and perfected the multitude of changes it implemented internally during the last two years, as Governor David Y. Ige and his administration began on 1 December 2014. Against this backdrop is a national effort in Washington, D.C. to comprehensively change current occupational, safety and health laws, especially as they affect crane operations.

The Board now operates at full strength and an assessment of national and statewide crane safety and accident statistics, as well as a survey of similar authorizing hoisting legislation has been completed, due to the diligent efforts of Board Member Lentes. Following the arrival of new Labor and Industrial Relations Director (DLIR), Ms. Linda Chu Takayama, the HMOAB office moved to a location inside the Wage Standards Division, updated all its public communication to crane members, and redesigned its current certification cards to reflect new Departmental colors and formats.

With the assistance of Board Member Aldeguer, outreach efforts increased as the agency operated a booth at its first statewide conference, the OSHA Annual Workshop in May. With the assistance of the Department's technology personnel, HMOAB completely updated its online presence to make its information easier to find on the DLIR webpage. Additionally, the office and Board Member Weander welcomed both the National Commission for the Certification of Crane Operators (NCCCCO) Chief Executive Officer Graham Brent and his western states' representative to Honolulu during the year.

While no fatal crane accidents occurred in Hawai'i jurisdiction during the past year, serious events and concerns were noted locally (particularly on federal property). These incidents serve as a useful and pertinent reminder of the seriousness, necessity, and vigilance for the work of this agency and the dedication of its participants and personnel to safety on behalf of all residents of Hawai'i.

Robert M. Armstrong, Executive Director, is a former college professor possessing three degrees including an MBA in non-profit leadership from Chaminade University. Besides coordinating the HMOAB office, its finances, and the activities of the Board, Mr. Armstrong is active in several non-profit organizations throughout Oahu.

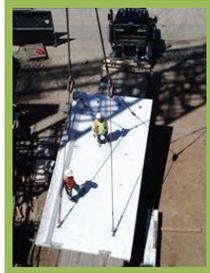


History, Purpose and Administrative Governance

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, 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 and potential workers comply with and provide safeguards for the and maintained using best available section 12-110-50 of the Hawai'i



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

relevant state and federal standards, public that buildings are constructed practices. Enforcement is covered in Administrative Rules.

Administrative Rules, prospective operators are required to submit an online at the DLIR website), a head and shoulders, and pay the

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. While the Board of Trustees meet monthly, administrative and financial business for the agency is completed by an Executive Director, who serves at the direction of the Board.

For Further Contact

The Hoisting Machine Operators Advisory Board can be reached by calling (808) 586-8146 or emailing the office at HMOAB@Hawaii.gov. The Board meets publicly on the third Wednesday of each month (except December) in the DLIR Conference Room #321 at 1:30 p.m.

Frequently Asked Questions

Who must be certified and how often must it be done?

All operators, whether an independent contractor or a company hire, using equipment to lift amounts of one ton or more, and at least 21 years of age, are required by State law to be certified annually. State laws also require operators to possess the necessary training, experience, and qualifications to move loads safely at the worksite. For convenience, State certification can be done in one through five-year increments. Currently, there are more than 400 active and certified crane operators in Hawai'i.

How do I begin the certification process?

Application forms are available online at www.labor.hawaii.gov/hmoab, by writing HMOAB@hawaii.gov or calling (808) 586-8146. The three-page form is quick and easy to fill out, but requires copies of documents as outlined in section "B," along with payment. If approved, the certification requires a current digital photograph of the applicant's head and shoulders to the above e-mail address, and can usually be processed within one business day.

What records are required for certification?

Applicants must present separate copies of the following documents: a.) two current forms of identification from a list of seven approved sources such as a military or Hawai'i State ID, driver's license, passport or TWIC card, and/or notarized copies of one's Social Security card and/or birth certificate; b.) A physical examination certificate must be provided from the National Commission for the Certification of Crane Operators (NCCCO), the Department of Transportation (DOT) or the City/County of Honolulu; and finally, c.) a copy of one's current national certification card from NCCCO, CIC, NCCER or the OECF is required.

What tower, mobile and overhead specialties are available for certification in Hawai'i?

Currently, there are eight different certification classifications: a.) tower operator, b.) service truck crane, c.) overhead cranes, d.) boom truck fixed cab, e.) lattice boom trucks, f.) lattice boom crawler cranes, g.) small telescopic boom cranes, and h.) large telescopic boom cranes.

I'm currently certified in another State. Am I permitted to work legally in Hawai'i?

No. Each state that has a certification procedure has different requirements and laws. While national certification is universal in the United States, several states such as Hawai'i (and some cities) require separate certification and payment in their jurisdiction. If you want to work on the Islands, you must be certified here. Military operators in Hawai'i are usually subject to federal requirements only.



Photo courtesy of Jim Weander

Does certification mean all operators are qualified?

No. Certification is a process to establish minimum standards for operators in our State. As a result, the process does not mean to imply or verify all operators as qualified. Federal law specifically designates employers as the party responsible for insuring all employees are qualified (as well as certified).

Hoisting Machine Operators Advisory Board
State of Hawai'i
Department of Labor and Industrial Relations
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**Call or write today to receive your free
updated HMOAB replacement card!**
(808) 586-8146 or HMOAB@Hawaii.gov