**AUGUST 2024** 



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THE QUARTERLY NEWSLETTER OF



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# PRESIDENT'S REPORT

DAVID CHANDLER, CALSAGA PRESIDENT



This is the last edition of The Californian before the 2024 CALSAGA Annual Conference which means it is my last opportunity to encourage you to attend. This year's conference has a bigger exhibitor hall, an expanded program (based on attendee feedback from last year!) plus the best food you'll eat at an event. If you're thinking that you don't need to attend the conference because you have attended Security University, think again. This event is very different. I trust that your business will benefit from you attending the conference.

I am very proud that CALSAGA was able to participate financially to the fight for PAGA reform. There is no way that the association could have contributed \$100,000 without member support. We recently received a major PAGA win! Read more about it on page 7.

It will still be hot in California for months. Please ensure that your Heat Illness & Injury Prevention Plan is up to date and that all of your employees are following it.

Stay safe and I'll see you in October, David Chandler

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#### DAVID CHANDLER, CALSAGA PRESIDENT

As you may have heard, we recently received a major win for PAGA reform. (If you haven't yet read Jaimee Wellerstein's legal analysis, check it out on page X.) CALSAGA joined with other associations and the CalChamber in the fight for reform. We may not have gotten every concession we asked for, but this is going to bring much needed relief.

Per SB525 (now codified as California Labor Code sections 1182.14 and 1182.15) a minimum wage increase for healthcare workers- including security officers working in health care environments- was scheduled to go into effect earlier this summer. This has been extended to either October 1, 2024 OR January 1, 2025. The actual date will be determined based on the state budget for the 3rd quarter.

CALSAGA will keep you posted on these and other legal matters as more information is available.

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# CAL/OSHA'S NEW INDOOR HEAT REGULATIONS WAS APPROVED



#### SHAUN KELLY, TOLMAN & WIKER, CALSAGA PREFERRED BROKER

Hope everyone is doing well and staying cool.

Change is inevitable!

Cal/OSHA's new regulations, "Heat Illness Prevention in Indoor Places of Employment" [Title 8, Section <u>3396</u>] was approved 7-23-24 and went into effect immediately to protect indoor workers from heat illness. The new regulations apply to most indoor workplaces where the temperature reaches 82 degrees Fahrenheit, such as restaurants, warehouses, and manufacturing facilities.



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I have attached a brief summary (with resource links on the last page) and Cal/OSHA's current sample written plan in case it's helpful.

If you feel that your employees are exposed to the indoor heat exposures, please review the attached, implement the plan, provide training and document the training.

Please be safe and let us know if we can be of assistance.

Take care



# Bradley Gmelich + LEGAL CORNER Wellerstein



# GOOD NEWS FOR CALIFORNIA EMPLOYERS -PAGA REFORM IS HERE!

JAIMEE K. WELLERSTEIN, BRADLEY, GMELICH + WELLERSTEIN, CALSAGA LEGAL ADVISOR

California employers can breathe a sigh of relief (for once)! On June 27, 2024, California Gov. Newsom signed Assembly Bill (AB) 2288 and Senate Bill (SB) 92, significantly reforming the 20-year old Private Attorneys General Act of 2004 (PAGA). While employers may not have gotten rid of this one-sided adversary, they've finally been given some tools to defend PAGA claims. As a result of this new law, the November ballot initiative to repeal PAGA has been withdrawn.

The PAGA reform will apply to civil actions brought on or after June 19, 2024, and will not apply to matters in which notice was filed before June 19, 2024.

Here are the highlights about PAGA reform:

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#### Standing

AB 2288 provides that a plaintiff must have personally suffered each Labor Code violation they seek to pursue on behalf of other aggrieved employees within one year of filing the required administrative notice (PAGA Notice) with the California Labor & Workforce Development Agency (LWDA). This is a significant win for employers as previously, any employee that suffered even one Labor Code violation was entitled to file a PAGA lawsuit for all alleged violations, even for those the employee did not suffer.

#### **PAGA** Penalties

AB 2288 reforms PAGA's penalty structure by incorporating new caps and reductions, as follows:

- 1. For employers who proactively take steps to comply with the Labor Code before receiving a PAGA notice, the maximum penalty that can be awarded is 15% of the applicable penalty amount.
- 2. For employers who take steps to fix policies and practices after receiving a PAGA notice, the maximum penalty that can be awarded is 30% of the applicable penalty amount.



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## APPLYING EMPLOYEE INCENTIVE PROGRAMS IN THE SECURITY INDUSTRY

#### Chris Shumaker, TEAM Software by WorkWave, CALSAGA Network Partner

Although United States employers added <u>206,000 jobs</u> to the economy, the unemployment rate <u>rose to</u> <u>4.1%</u>, reported the Bureau of Labor Statistics in June 2024. These facts coupled with the <u>low labor force</u> <u>participation rate</u> shows that the job market is still tight for employers and more in favor of job seekers who are more likely to switch jobs to achieve better benefits.

While the tight job market has impacted employers in various industries, security contractors could be particularly vulnerable to high turnover rates and have trouble attracting qualified guards, which makes retention and hiring efforts top-of-funnel priorities for industry professionals.

However, security companies that focus on incentive programs that aid in recruitment and retention efforts may be in a better position to offset some of the challenges impacting their competitors, who will mostly also be seeking and trying to retain qualified guards.

#### Actionable opportunities to improve retention

To help offset these high turnover rates, employers can invest in incentive programs by recognizing the

efforts made by staffers and rewarding their valuable contributions. A robust benefits program helps to acknowledge the efforts employees bring to the workplace while letting companies demonstrate their commitment to well-being and growth.

Examples of incentive programs and benefits can i nvolve monetary incentives, such as bonuses, cash rewards, profit-sharing and referral bonuses. Performance incentives can include investing in career development, flexible working hours or conditions. Other non-monetary incentives consist of additional vacation days and travel incentives, in addition to career development stipends or skills development courses.

Although some of these opportunities may be difficult to implement due to monetary constraints, <u>earned wage access</u>, also referred to as on-demand or flexible pay, is a proven incentive for retaining employees because it gives workers access to part of their paychecks in advance of their payday, so long as those hours have already been worked and logged.



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The ability to win more business is crucial for long-term growth. That's why we've put together an eGuide on the key elements to include in your proposal, bid or tender that differentiates your security services from your competitors.



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Download the eGuide to learn more:

teamsoftware.com/californian

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# SECURITY GUARD BREAKS: LEGAL REQUIREMENTS & HOW TO MITIGATE COMPLIANCE CHALLENGES

#### JEFF DIDOMENICO, TRACKFORCE VALIANT + TRACKTIK, CALSAGA NETWORK PARTNER

Companies are facing a surge in lawsuits for failing to correctly compensate employees for their break times. Recent years have seen a noticeable uptick in these legal challenges, with hundreds of lawsuits being filed annually, compelling businesses to reckon with complex meal and break compliance laws that differ markedly across state lines.

Not too long ago, only a handful of states had employee break laws spelled out. Now there are over 20 states with specific statutes governing meal break requirements, each with its fine print that employers must diligently understand and adhere to. <u>Here's a breakdown of those states' break laws</u>.

These lawsuits are not just legal headaches; they represent significant financial liabilities, with many settlements reaching into millions of dollars. For example, in some reported cases, class action settlements concerning break time violations have escalated well beyond \$10 million, underscoring the severe financial implications of non-compliance.

The issue is heightened in sectors employing hourly workers, such as the security services industry, where break times are often scheduled around rigorous and demanding work periods. Security guards typically work extended hours under stringent conditions and are at the frontline of this issue. Firms that employ these workers face heightened risks if their wage and hour policies aren't up to scratch.

In the security industry, vigilance and compliance are more than operational necessities—they're legal requirements. Failing to adequately manage and track security guard breaks can lead to severe compliance issues and unfortunate legal consequences.





# MEMBER SPOTLIGHT

ASHLEE CERVANTES, CALSAGA AMBASSADOR COMMITTEE CHAIR



The CALSAGA Ambassador Committee is delighted to feature MPS Security in this quarter's Membership Spotlight. MPS Security offers an extensive range of services, including close protection, personal and residential security, event security, industrial and commercial property security, access control, foot and vehicle patrols, alarm response, loss prevention, risk management, active shooter survival training, and workplace violence training compliance (SB553).

> MPS Security is dedicated to delivering exceptional security services that protect the people, assets, and reputations of their clients.

Committed to excellence, the team at MPS works collaboratively to build long-term relationships by understanding unique challenges and crafting customized security plans. Their diverse team of seasoned professionals offers comprehensive protection and ensures peace of mind through proactive risk management and unparalleled service.

With 12 years as a CALSAGA member, the executive management team at MPS Security collectively brings an impressive 113 years of security industry experience to the table. Their wealth of knowledge and expertise significantly benefits their clients and the broader security community.

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NOMINATE YOUR COMPANY FOR THE NEXT MEMBER SPOTLIGHT!

> JOIN THE CALSAGA AMABASSDOR COMMITTEE

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### PRIVATE EQUITY INVESTMENTS IN THE SECURITY INDUSTRY

#### JOE YACANO, TEAM SOFTWARE BY WORKWAVE, CALSAGA NETWORK PARTNER

Private equity firms that specialize in buying and managing companies before selling them for a profit have shown increased interest in the <u>security</u> industry due to the resilience security guard companies have shown during recent economic downturns, their recurring revenue model and consistent profitability in comparison to other industries.

Economic researchers who advise private equity firms are predicting a <u>rebound in private equity deals</u> later this year due to subsiding inflation, which means interest rates are expected to fall and could cause the cost of capital to be less expensive for them.

Business owners in the security sector who are thinking of partnering with a private equity firm should consider the kind of support their business may need to execute growth, in addition to accessing capital, experience and connections that could easily set your company on the path to success. In short, working with a PE firm can be beneficial to your business as long as both parties' goals and values are in alignment.

#### What is private equity?

Private equity describes investment partnerships that buy or manage companies using a pool of capital from <u>institutional</u> and <u>accredited</u> investors. Those funds are used to support companies that need financial resources to grow, with the end goal of earning a profit.



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In most cases, private equity groups (or PEGs) are led by a group of executives who have experience with running large businesses...

...and seek out partnerships where their private equity firm can buy or manage companies that are typically unlisted on a stock exchange.

Typically, these investment firms hold onto companies for about 5 to 6 years before reselling, and unlike venture capitalists, choose to invest in relatively mature companies with a solid business plan.

#### Partnering with a private equity firm

Security business owners who are thinking about working with a private equity firm should spend time making sure that the investment group is a good fit for both parties.

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KEITH ORINGER President and Founder

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### IS YOUR SECURITY GUARD COMPANY LEAVING DOLLARS ON THE TABLE? (AND THE 2 REASONS WHY YOU CAN'T KEEP QUALITY GUARDS AT YOUR COMPANY)

#### KEN DUBOSE, BUSINESS LINK SOLUTIONS, CALSAGA ASSOCIATE MEMBER

Many articles in Security Guard Trade Magazines, including the Californian report that the turnover rate of security guards at companies is unbelievably high. In fact, the turnover rate has been reported to be as high as 300%. Many of these industry publications blame the up to 300% turnover rate on low wages and lack of affordable health benefits.

Articles in other publications and personal conversations with guards from different companies, cite guards frequently switching companies to chase \$.50 to \$1.00 or more per hour wage increases and not having access to affordable health benefits.

What can you do to help keep quality security guards on the job and attract trained, quality guards in the future? Business Link Solutions has a solution that helps with the low wage and affordable health benefits problem.

First, even if you are offering a major medical plan at your company, many of your guards at their current wage structure won't participate if they must pay a percentage of those monthly premiums. Guards making \$16.50 - \$20 an hour usually can't afford to have \$50 to \$100 deducted from their paycheck to pay for Healthcare/Medical benefits, even if the employer is paying 50% to 70% of the bill, with only supervisors and higher management employees utilizing the benefits.

We help to solve the problem....

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### NAVIGATING CALIFORNIA'S UPDATED SICK TIME POLICY WITH EASE

#### JORDAN WALLACH, BELFRY SOFTWARE, CALSAGA ASSOCIATE MEMBER

Managing paid sick leave in the security industry can be complex. Staying up-to-date on state laws is critical to maintain smooth operations for your California security business.

As of January 1, 2024, <u>California law</u> mandates that employers provide at least 40 hours, or five days, of paid sick leave per year. This applies to full-time, part-time, and temporary workers who:

- Work for the same employer for at least 30 days within a year
- Complete a 90-day employment period before taking any paid sick leave

Common reasons for paid sick leave include recovery from physical/mental illness or injury, seeking medical diagnosis, treatment, or preventative care, and caring for an ill family member.

The new policy is an increase from the previous required paid sick leave of 24 hours or three days. This change requires security companies to adjust their systems to ensure operations aren't disrupted while complying with the new requirements.

Security firms typically handle numerous contracts, each varying in pay rates, schedules, and qualifications, making sick leave management an added challenge. Typically, companies use multiple systems for scheduling, time tracking, and payroll, leading to manual data transfers that increase the risk of errors and consume significant time.



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### HOW A 24/7 DISPATCH SERVICE REVOLUTIONIZED MY ROLE AS A HIGH-LEVEL MANAGER IN THE SECURITY INDUSTRY

#### JACQUELINE KING, GUARDIAN SECURE SOLUTIONS LLC, CALSAGA ASSOCIATE MEMBER

As a high-level manager in a security company that operates around the clock, my phone never seemed to stop ringing. From early morning until late at night, our 24/7 line was inundated with calls. Employees calling out from their shifts, seeking information about their posts, notifying us of incidents on site, and inquiring about their paychecks and 401k, among other HR and operational inquiries. The constant stream of calls made it challenging to focus on larger projects, expand our business, and, quite frankly, to sleep.

However, everything changed when we hired a U.S. based 24/7 dispatch service. This decision has been a game-changer for our company, both professionally and personally.

Streamlining Operations and Enhancing Efficiency

Our partnership with a technology based Security Operations Center (SOC) service has taken over a substantial portion of call management. They screen calls and handle many of them directly, accessing our shared platforms to provide employees

with site information, dispatch calls for our patrol division, and log all employee communications meticulously. This has streamlined our operations and significantly reduced the volume of calls that reach me and other managers.

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# Coffee Chat Proprietary Security Do's and Don'ts

stay up to date on the latest news &events!

## Wednesday, Sept. 18th 10am | RSVP Required

# SIMPLIFYING THE OFFICER BODY CAMERA EXPERIENCE: BUYING CONSIDERATIONS

JOJO TRAN, TELEPATH CORPORATION, CALSAGA ASSOCIATE MEMBER

Picture this: a typical uniformed security officer carries radio, remote speaker microphone, baton, pepper spray, handcuffs, gloves, at least one smartphone and a personal device, while wearing ballistic body armor under their uniform. That's a lot of gear to carry around and be ready to run within an instant.

Now there is a nationwide push to add body-worn cameras (BWCs) to the mix.

As any security agency can attest, however, new technology deployments can have unexpected impacts that negate a solution's intended value. This is no different for BWCs.

Before purchasing, agencies should recognize how a new piece of technology can impact security officers' ability to

successfully do their job and protect the community.

Picture this: a typical uniformed security officer carries radio, remote speaker microphone, baton, pepper spray, handcuffs, gloves, at least one smartphone and a personal device, while wearing ballistic body armor under their uniform. That's a lot of gear to carry around and be ready to run within an instant.

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