

Commentary-Dave Pasolli-Western Wood Truss Association of Alberta

Looking back at 2022

Well another year is in the history books, and it has been a wild ride.

We started out 2022 with the Covid-19 pandemic still hanging around spiking at 17,500 daily cases on January 17, 2022 before leveling off in the spring. It is still hanging around though with the latest statistics showing there is still an average of 150 new cases a day. My mother's nursing home just had an outbreak of 11 cases last week, and although they are still taking precautions, it does not appear to have the severity that it once did with none of these seniors requiring the extensive hospitalization they would have had previously.

It is hard to believe that in Canadian protesters opposing the Covid-19 restrictions would be dealt with as terrorists with the implementation of the Canada Emergencies Act in February.

The lumber market continued to be volatile soaring from \$478 USD in August of 2021 to \$1465 in March and back down to \$377 by the end of the year. Seems relatively cheap to me at this price.

Inflation is high and leads the nightly news most nights as people are having trouble buying groceries. The talk of transient inflation coming out of the pandemic did not materialize and the Bank of Canada has raised their rates from 0.25% in January to 4.25% at the end of the year to try and stop it. The pain of higher rates will continue to be felt in 2023. They are trying to get us to try and stop spending money to slow the economy, but have no worries about how much they are borrowing to spend.

After the world came through this global pandemic who would have thought that Russia would be invading Ukraine. Most thought that this would be over shortly, but the Ukrainians have showed that they don't give up easily. I just hope that the rest of the world does not get bored, like we tend to do in the west, and move onto some other story.

Alberta has certainly benefited from the global uncertainty with the price of oil hitting \$120 USD in March, before leveling off around the \$80 level, which is still pretty good. Alberta expects to collect a record \$28 billion from royalties in the current fiscal year, forecasting a surplus of \$13 billion instead of the \$500 million projected in February.

The province only collects about \$13.3 billion from personal income tax yearly, so the money from resources really helps. I guess we are going to make up the difference by paying triple our income tax when we stop producing oil and gas.

If we could only figure out how to get more of it to market, but alas our Prime Minister was not interested in having this discussion with European leaders as they face a crisis this winter due to their dependence on Russian oil. Instead he suggested that we could help Germany develop new cleaner technology. Like the Germans need help with technology.

Housing starts and construction in Alberta has also been volatile from month to month, yet at the end of the year I expect that it will have been quite a one with starts reaching around 35,000 for the year. Not as high as 2014 before the NDP government, but getting close.

During the year we were able to start getting back to some kind of normal behaviors, and hopefully we will not have another global crisis like this in a generation. It was great to have our Annual General Meeting in May and see everyone in person again.

Economists always like to predict the future by extending the graph in the direction it is going, but if some things fall into place, we could be in for a bit of a boom. Hopefully the war in Ukraine will conclude, inflation and interest rates will level out, demand for commodities will continue to rise as governments try and stop their production, and we elect some politicians that actually worry about the economy.

Merry Christmas and a Happy New Year,

Dave Pasolli
Executive Officer
Western Wood Truss Association of Alberta

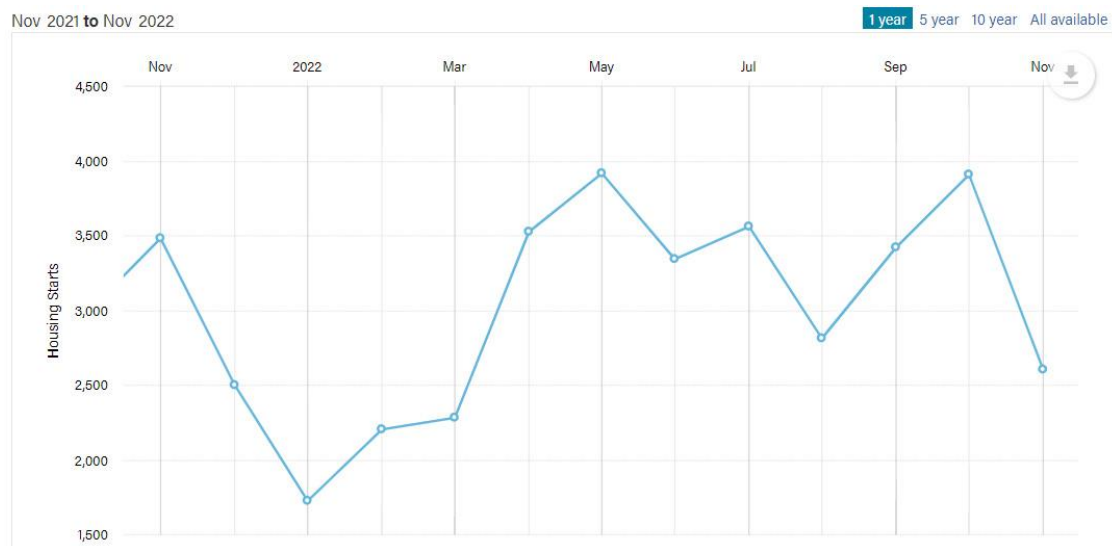
If you have an idea for a commentary or would like to submit your own commentary for a future newsletter please let me know at dave@wwta.ab.ca

Economic Update

In Alberta, urban housing starts totaled 2,607 in November 2022, a year-over-year decrease of 25.2%. Canadian housing starts decreased by 15.0% over the same period. In Alberta all unit types decreased. Apartment and other unit types had the largest decrease, -30.1%. Single-detached units, which comprised 34.0% of all units, decreased by 20.0%.

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Housing Starts Alberta						
	Nov-22	Nov-21	% Change	YTD 2022	YTD 2021	% Change
Alberta	2607	3485	-25.19%	33314	28110	18.51%
Edmonton	703	972	-27.67%	13812	11486	20.25%
Calgary	1673	2192	-23.68%	16226	13862	17.05%
Red Deer	14	17	-17.65%	150	186	-19.35%
Grande Prairie	22	15	46.67%	199	123	61.79%
Lethbridge	20	55	-63.64%	762	596	27.85%
Wood Buffalo	3	5	-40.00%	112	76	47.37%
Canada	21246	25004	-15.03%	221924	226228	-1.90%



November housing starts in Alberta were down from 3910 starts in October. It just seems that we cannot get more than 2 months in an upward trend.

[Bank of Canada rate increase to 4.25%](#)

Housing starts in the US edged 0.5% lower to a seasonally adjusted annualized rate of 1.427 million in November of 2022, after falling by a downwardly revised 2.1% in October, and compared to market forecasts of 1.4 million. Single-family housing starts dropped 4.1% to a rate of 828 thousand while the rate for units in buildings with five units or more jumped 4.8% to 584 thousand, the highest since April. The US housing market has been hit by soaring prices of materials and rising mortgage rates, while home prices remain stubbornly high for first-time buyers.

Delayed onset economic soreness

Rob Roach, ATB ECONOMICS | December 16, 2022

I don't go to the gym as often as I should (i.e., it's been years), but I know that "delayed onset muscle soreness" often occurs after a workout.

If we think of the [interest rate increases](#) that have taken place in 2022 as the workout, we are going to experience some significant economic muscle soreness in 2023.

The overall effect of the higher cost of borrowing will be slower economic growth, if not outright recession in some places.

There are good reasons to think that the pain will be relatively mild and short-lived, but there is no doubt that it will be real. And, if not everything goes as planned, "mild and short" could turn into "severe and prolonged."

Alberta's economy will be [shielded from the economic drag](#), but not entirely, by our oil and gas sector and strong economic base.

With the above in mind, the top five economic stories to watch in 2023 are:

Sticky is tricky: Red hot inflation was a huge story in 2022 and will continue to be a factor in 2023. Will higher interest rates bring inflation rates down as hoped? Or will the war in Ukraine, supply chain disruptions and wage-price spirals keep inflation sticky?

Location, location, location: Housing markets in Canada (which vary greatly from place to place) have started to cool due to higher interest rates. It remains to be seen how much of a bite higher borrowing costs will take in 2023 as more mortgages come up for renewal and how different markets will perform as the economy slows.

Geopolitical chess is a mess: The Russian invasion of Ukraine shows no signs of ending, China and the U.S. are vying for power, OPEC is restless, recession looms over Europe and the [decades-long experiment in more, rather than less, open global trade is under serious threat](#). How a small, but mighty, trading nation like Canada positions itself on this global geopolitical chessboard is not clear, but 2023 will continue to present challenges in this regard.

The (last?) new oil pipeline out of Alberta: Regardless of where you stand on what to do about global carbon emissions, the future growth of Alberta's oil and gas exports are constrained by a lack of additional pipeline capacity out of the province. The TransMountain pipeline expansion project is an exception to this rule. The project is scheduled to be completed toward the end of next year and will take the capacity of the pipeline from 300,000 barrels per day to 890,000 barrels per day.

Labour shortages: The slowing of the economy in 2023 will put upward pressure on the

unemployment rate, but the widely reported labour shortages of 2022 will continue if not get worse 2023 and after. The main driver of this is the aging of the population. There are plans to increase immigration to address the shortfalls, but an overly “tight” labour market will take time to loosen.

Quality Control

Plumb Cut or Butt Cut?

Doing some inspections the other week I was noticing how some manufacturers cut their top chord with a butt cut (square) while others prefer a plumb cut.

While the butt cut may allow the board to be better utilized at the saw it restricts how the top chord can be placed if it has a plumb cut on the overhang, it can only go in one way.

This gives fewer options to the truss builder that may have to deal with a defect like wane or a crook or crown that may be going in the wrong direction. You always want to try and place the top chord so that the crown is going up, basically building some camber into the truss so that when it gets loaded it does not over deflect.



In the case of the picture above there was a defect (wane) reducing the number of effective teeth into the top chord and the plate should have been upsized to take this into account. Because it was a butt cut the web could only be placed in this orientation as the other end had a plumb cut at the overhang.

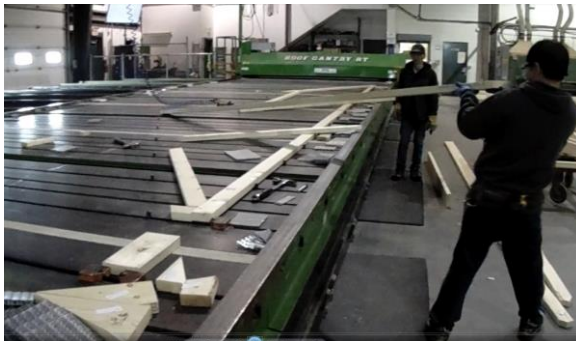
If this web had been plumb cut it could have been flipped so that the wane was at the end of the overhang.

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In the following set of pictures you can see how when the truss builder noticed that the board had a crown in it; he was able to flip the board so that the crown was up because it was plumb cut.



The truss builder notices that the board has a crown and is going to flip it around.



The truss builder checks the crown again.



The truss builder flips the board so that the crown is up.



Places the top chord with the crown up.

Either way of cutting the top chord is correct and the utilization may be a bit better with a butt cut if you are cutting boards close to their full length.

You may also have to analyze the effect on your plate sizes, because they may change size depending on how the cut is made.

Health and Safety Toolbox

Similarly to the Quality topic the WWTA would like to give you a monthly item you can discuss when doing your Safety Toolbox meeting. This month we are going to focus on **Chainsaw General Safety**, something that pretty much every supplier of EWP uses.

Chainsaws are inherently dangerous tools. They are proven to be efficient in cutting down trees, so it is no surprise that they can cause serious injury to flesh and bones in quick fashion. Each year there are over 30,000 injuries in chainsaw-related incidents in the United States.

Many of these injuries occur at home, however, there are many workers who are injured on the job using chainsaws. Most of the hazards associated with chainsaw use can be mitigated through proper training, proper use, and wearing the correct PPE.

Chainsaw Injury Statistics

- Most injuries from chainsaw use are due to “kickback.” Kickback occurs when the tip of the chainsaw hits a hard object, such as a knot in the wood, and kicks back toward the person operating it.
- 36% percent of chainsaw injuries affect the legs and knees.
- The average chainsaw injury requires 110 stitches.

What are some general tips to know when using chain saws?

- Only use chain saws that you have been trained to use properly and safely.
- Read the owner's manual carefully.
- Make sure you understand instructions before attempting to use any chain saw.
- Review pertinent health and safety legislation before operating a chain saw.
- Operate, adjust and maintain saws according to the manufacturers' directions and the CSA Standard Z62.1-15 "Chain Saws" or ANSI standard B175.1-2012 (and A1-2014) (Outdoor Power Equipment - Internal Combustion Engine-Powered Hand-Held Chain Saws - Safety and Environmental Requirements). Both standards describe safety requirements for the design of chain saws and include recommendations on how to use chain saws safely.
- Operate the chain saw in well-ventilated areas only.
- Wear personal protective equipment and clothing. See OSH Answers [Chain Saws - Personal Protective Equipment](#) for more detailed information.
- Ask questions if you have any doubts about doing the work safely. Safety procedures that you follow will also depend on where the sawing is carried out

(e.g., on the ground or at height in a tree or elevating device) and on the presence of trip, slip, snag, and fall hazards.

- Only operate saws when you are well rested. Fatigue causes carelessness. Be cautious before breaks and end of shift.
- Have all required supplies and equipment with you before you start the work.
- Be aware of your surroundings – weather conditions, terrain, wildlife, buildings, powerlines, vehicles, and other people

DO NOT

- Do not use a saw if it has damaged, improperly adjusted, or has loose or missing parts.
- Do not "drop start" (starting a saw in hands) or when a chain saw is touching your body. This method leaves only one hand to control a running saw and can result in leg cuts.
- Do not start a saw unless it is at least 3 meters (10 feet) from any approved fuel safety containers.
- Do not make adjustments to the chain or guide bar when the motor is running.

What precautions should I take when fueling a chain saw?

- Follow manufacturer's directions for oil/gas mixture to be used.
- Use only safety containers for storing and dispensing fuel that have been approved by standards like the CSA International B376-M1980 (R2014) titled "Portable Containers for Gasoline and Other Petroleum Fuels" or by agencies like Underwriters' Laboratories (UL or ULC [Canada]).
- Do not refuel a running or hot saw.
- Dispense fuel at least 3 meters (10 feet) away from sources of ignition.
- Use funnel or spout for pouring. Wipe off any spills.
- Mix fuel in a well-ventilated area. Keep a well-maintained fire extinguisher nearby.
- Do not smoke or allow any ignition sources while refueling

What should I do and not do when cutting?

DO

- Plan each job before you start. Arrange to have help.
- Carry the chain saw by its front handle, with the muffler away from your body and the guard bar pointing behind you.
- Know the location of the persons working with you at all times.
- Use the correct saw. The weight, power, and bar length should all be suitable for the job.
- Operate the chain saw in a firm two-handed grip with fingers and thumb surrounding the handles. Keep both feet firmly positioned when operating a chain saw.
- Maintain full power throughout each cut.
- Ensure that the chain does not move when the chain saw is idling.
- Turn off the chain saw before refueling or doing any maintenance.

- Keep your saw clean – free of sawdust, dirt and oil.
- Wear safety gloves or mitts when sharpening the chain.

DO NOT

- Do not start a chain saw when it is resting against any part of your body.
- Do not stand directly behind the saw.
- Do not leave a saw running unattended.
- Do not carry chain saws while it is running.
- Avoid contact with the muffler. Serious skin burns may result.
- Do not cut alone.

As a topic for discussion at your Health and Safety Meeting ask the group if they could share any incidents involving a chainsaw. Also it would be a good time to review your hazards and controls around the use of chainsaws.

The Alberta Government has a new format OHS eNews you can subscribe to with all kinds of good material at: <https://ohs-pubstore.labour.alberta.ca/>

News and Events

STANDATA 19-BCI-023

What started off as an interpretation from Alberta Municipal Affairs in August that STANDATA 19-BCI-023 requires Engineers seals on pretty much all documents supporting their design has certainly cause a ripple of concern through our industry. This lead to some municipalities putting out bulletins with deadlines for supplying sealed designs and drawings beginning January 1, 2023.

Over the last couple of months there have been many meetings, calls, and e-mails raising concerns about this interpretation from our industry and the building industry. This has resulted in Alberta Municipal Affairs issuing a withdrawal of 19-BCI-023 by issuing [19-bcb-009](#) December 9th until the issue can be clarified.

The municipalities that had issued bulletins requiring seals have retracted their requests until new STANDATAS are issued.

Moving forward, at the suggestion of the WWTA there should be 2 separate STANDATAS issued separating trusses and EWP to help solve any confusion.

The WWTA has been working on proposals for replacement STANDATAS and will propose them for consideration to the Safety Codes Council's Builders Sub council when they meet in mid-January. Thanks to all of those that have been involved in this discussion for their comments and suggestions.

2023 WWTa Annual General Meeting

In the November newsletter I indicated that the WWTa AGM would be held in March 2023. Since then the Board of Directors have decided to move it a little later in the year so that we can have some certainty of good weather and have a good time.

New Building Code

The date for a new Alberta Building Code continues to be a moving target as it will not be out prior to the end of 2022. During the discussions on the STANDATA mentioned previously I asked Alberta Municipal Affairs if they had a new date and they would not provide a specific date. There certainly seems to be something happening to hold up the publication.

I would like to point out that the issuance of STANDATA does not have to exactly align with the issuance of the building code, and that they can be published at any time. Therefore it is expected that new STANDATA will still be referencing the 2019 code and that they will be revised with the new one.

WWTa Online Training

If you have not yet taken a look at the WWTa online training program I would encourage you to, as no doubt you will be hiring new workers in the near future and it is a good method to get them productive earlier and safer. If you want an overview of the program go to the WWTa website at: <http://www.wwta.ab.ca/truss-training-online.html>

Did You Know?

Is your roof designed to support Santa Clause?

It is estimated that Santa's sleigh has to carry in excess of 300,000 tons of presents and if he is to make it around the globe he has to travel in excess of 3000 times the speed of sound. This creates a tremendous amount of force, heat, and wind when he lands on your roof.

Based on past history, obviously the answer is YES!