



Council of Industry Newsletter

November 2014
Volume 18
Issue 9

Manufacturing Day in the Hudson Valley

Companies nationwide celebrated Manufacturing Day on October 3rd by opening their doors and inviting the public, especially school children, in to see their facilities and the magic that goes on inside. Several companies here in the Hudson Valley took part as well and while it wasn't quite Charlie and the Chocolate Factory the students were still very impressed to see just how things are made.



Students from the Hudson Valley Pathways Academy get hands on at Wolf-tec.

Across the country more than 1,600 companies took part in Manufacturing Day which is an increase of 800 percent from the first Manufacturing Day in 2012.

"Manufacturing Day provides a focused point in time each year when all manufacturers in America can collaborate to bring attention to this crucial sector of the economy and celebrate their accomplishments," said The Manufacturing Institute President Jennifer McNelly. "It is a great opportunity to shift Americans' perception that it is not our grandfathers' manufacturing anymore and to showcase the tremendous career opportunities manufacturing has to offer."

The events here in the Hudson Valley kicked off on September 26th with a Manufacturing Round Table discussion on Hudson Valley Focus, a radio program hosted by Tom Sipos on WKIP. The two hour discussion featured Council of Industry member CEO's: Steve Pomeroy, Schatz Bearing; Frank Faltyn, Fala Technologies; Bruce Phipps, MPI; Simone Wakefield, Nerak Systems. Also taking part from the educational sector: Don Christian, President of SUNY New Paltz; Don Katt, President of SUNY Ulster; The Dean of Community Services at SUNY Dutchess Ginny Stoeffel; the Principal of the Hudson Valley Pathways Academy Jonah Schenker; and Dutchess BOCES Principal Mitchell Schron. The podcast of the program is still available on line at www.1450WKIP.com. Some of the topics discussed included the diversity of products that are made in our region, the high tech nature of not just the products but the processes used to make them, and the many exciting career opportunities in the sector.

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Annual Luncheon & Member/ Associate Member Expo

When: Friday, November 7th, 11:30 am—2:00 pm

Where: The Dutchess Golf Club, Poughkeepsie, NY

Cost: \$50 per person, \$350 for a table of 8

Honoring the recipients of the Certificate in Manufacturing Leadership and featuring a keynote address by E.J. McMahon, President of the Empire Center for Public Policy, Inc., on election results and the current fiscal climate in New York State.

Thank you to our generous supporting sponsors:



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Training and Education

Early Bird Discounts on Supervisor Training Program

The Certificate in Manufacturing Leadership Program is once again offering an Early Bird Discount to companies that register and pay for classes by December 31st. As part of the Council of Industry’s effort to make this training affordable to all of our members we are offering a valuable discount to companies that register and pay for individual Certificate in Manufacturing Leadership classes or the entire program by December 31st, 2014. For companies with more than one employee in the program or attending the same class the savings is even greater. This program has had classes go to wait lists the last two years so early registration is the best way to guarantee a seat and by paying in advance your company can save substantially. For discount details see the chart below:

Program Cost*	Single Member	Two or More From Same Company
One Day Course	\$200.00 before discount \$185.00 with Early Bird discount	\$175.00 before discount \$160.00 with Early Bird discount
Fundamentals of Leadership	\$400.00 before discount \$370.00 with Early Bird discount	\$350.00 before discount \$320.00 with Early Bird discount
Entire Program	\$1,700.00 before \$1,600.00 with Early Bird discount	\$1,550.00 before discount \$1,450.00 with Early Bird discount

Experienced, well trained supervisors are essential to a successful manufacturing company. The Certificate in Manufacturing Leadership is a comprehensive group of courses that prepares supervisors for their challenging positions at manufacturing facilities.

The program is designed to offer particular skill sets through concentration of courses. Participants who complete the required courses are presented with the Certificate in Manufacturing Leadership by the Council of Industry and Dutchess Community College.



All courses are full-day classes (from 9am to 4:30pm) and are held at Dutchess Community College, Poughkeepsie, NY with breakfast and lunch included on site. Though participants are encouraged to complete the course series for the most comprehensive supervisory education, the Council welcomes individual course registration as well.

To qualify for your Certificate in Manufacturing Leadership you must:

Take all three core courses:

1. Fundamentals of Leadership
2. Making a Profit: Financial Issues in Manufacturing
3. Environmental, Safety & Health Risk Management

Take six out of the seven Elective Courses:

1. Problem Solving & Decision Making
2. Positive Motivation & Discipline
3. Effective Business Communication
4. High Performance Teamwork
5. Train the Trainer
6. Best Practices & Continuous Improvement
7. Human Resource Management Issues

Welcome New Member:

Tompkins Mahopac Bank— Financial services. Dutchess County. Contact: Philip Bronzi

And New Associate Member:

Access Physical Therapy & Wellness— Physical Therapy and Occupational Therapy services. Locations through out the Hudson Valley. Contact: Lori Schneider



Network & Council News

November EHS Sub-council Meeting: Disaster Preparation - Are You Ready?

Presenter: Hank Spangler, American Red Cross' Health and Safety Services

When: Friday, November 14th, 8:30- 10:00 am

Where: Council of Industry Office, The Desmond Campus of MSMC, Newburgh

Cost: None for members

Registration: online at:
<http://www.councilofindustry.org/council-networks/environmental-health-safety/>

Or e-mail Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.



Hank is a member of the American Red Cross' Health and Safety Services Group here in the mid-Hudson Valley. The mission of this group is to raise the level of awareness regarding programs that can prepare individuals at all levels in an organization to deal with emergencies and disasters BEFORE they happen. The presentation on November 14 will go into the scope and structure of these programs which are designed to:

- Understand best practices to assure that individuals/families are as ready as possible to deal with potential disasters and emergencies: Get a Kit – Make a Plan – Be Informed.
- Raise the level of confidence and minimize reluctance of any individual to act in emergency situations.
- Gain the knowledge and skills necessary to help sustain life and to mitigate the pain and consequences of injury or sudden illness until professional medical help arrives.
- Recognize and care for life-threatening respiratory or cardiac emergencies in adults whether in the office, the home or the community.
- Perhaps, save a life.

December HR Sub-council: Tools for Leadership Success

Topic: Tools for Leadership Success – Using the DiSC Personality Profile in the Workplace

Presenter: Rebecca Mazin, Recruit Right, and Fundamentals of Leadership Instructor

When: Friday, December 5, 8:30- 10:00 am

Where: Dutchess Community College, Poughkeepsie, NY

Cost: None for members

Registration: online at:
<http://www.councilofindustry.org/council-networks/humanresources/>

Or e-mail Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.



Join us for a peak into this toolbox which begins with an online DiSC Management assessment. People don't wear easy identifiers to let managers know what approach to use, or if the manager's natural approach is working. Using DiSC helps build more effective working relationships based on an understanding of different behavioral styles.

You will leave this presentation with an access code for a free DiSC Management assessment, take it yourself or hand it off to another leader in your company. It's bound to be a valuable tool for workplace effectiveness.

Avoiding a PR and Financial Nightmare: Employee Class Action Lawsuits

*Breakfast Briefing brought to you by Bond Schoeneck & King
and the Council of Industry of the Mid-Hudson Valley*

November 20, 2014 - Dutchess Golf Club, Poughkeepsie

8 - 8:30 a.m. - Registration & Continental Breakfast

8:30 - 10 a.m. - Program

Bond Clients / Council of Industry Members - \$40; Other Invitees - \$50

Visit www.bsk.com for additional
information and to register.

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Human Resource Matters

Workforce Development Takes Another Step

By Jim Kimple, Council of Industry TAACCCT Grant Coordinator

With the 2014-2015 school calendar in full swing, it's a good time to reflect on the strong and growing relationships between Mid-Hudson manufacturers, educational institutions, and public sector partners. The Council of Industry has a long-standing relationship with the region's SUNY schools. The colleges have provided responsive and valued training and education programs for member firms since the 1980s. That relationship continues, but with the new TAACCCT-driven CPT (Certified Production Technician) programs at SUNY Ulster and SUNY Dutchess, P-tech, and the SUNY New Paltz engineering program under way, our region is poised to develop a model public-private partnership for economic and workforce development.

Last month, we noted that Workers in the Mid-Hudson frequently commute across county lines, creating a challenge to county-based approaches to workforce development. But every challenge is also an opportunity. Our opportunity is to create a regional manufacturing-focused approach that builds on efforts already in place to support manufacturing, including:

- Career pathways, skill upgrading, and certification for displaced workers and veterans through the MACNY/SUNY cooperative TAACCCT grant, now completing year 3.
- Creating career pathways beginning in high school (P-tech)
- Hiring preferences and even guarantees for Certified Production Technicians (Ulster County)
- Promoting closer ties, cooperation, and support among WIBs, employers, and the Department of Labor for improved matching of employers with potential employees, within

and across jurisdictions (encouraged by the Workforce Innovation and Opportunity Act)

One approach, called a Regional Sector Partnership Strategy builds



The CPT program toured MPI, Inc. to see how their skills can be put to use in the workplace.

on these and other efforts to produce employment opportunities for the Mid-Hudson and skilled workers for manufacturers.

Recently, SUNY Orange has provided some funds for consulting assistance from Thomas P. Miller Associates (TPM) to assess readiness for concrete planning. According to TPM, effective partnerships are:

- Driven by employers
- Focused on a single industry
- And are regionally based

With TPM, Council of Industry members, SUNY consortium members, and several WIBs have begun to assess whether the Mid-Hudson is ready to formalize the strategy. It appears as if the Mid-Hudson has the basics in place. We appear ready to take some concrete steps.

So what do we do next? TPM suggests that we use a two-step process starting with a small group of committed stakeholders and organize a task force that will:

- Establish a common vision
- Map regional assets
- Catalogue additional stakeholders
- Identify an "early convener" (an organization that will bring the task force together)
- Identify and validate common stakeholder issues, themes, and needs
- Prepare for a Regional Rollout and Planning session

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Workers in the Mid-Hudson frequently commute across county lines, creating a challenge to county-based approaches to workforce development. But every challenge is also an opportunity.

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LENDER



More Human Resource Matters

Tools for Leadership Success

By Rebecca Mazin, *Recruit Right*, and instructor for Certificate in Manufacturing Leadership Courses

Manufacturers know the tools required to produce the product customers demand. It can take work to find the right tool but it's pretty concrete. When approaching a task that requires a screwdriver it's not hard to figure out whether to reach for a Phillips or flat head. The Council of Industry Certificate in Manufacturing Leadership provides participants with a well stocked toolbox for the task of leading a team.

One Size Fits All Doesn't Fit All

Effective leaders bring different components to the table, know what they are, and have the ability to identify best responses in a variety of situations. Our multigenerational, diverse workforce demands adaptation for success; employees won't respond well to old school one size fits all approaches. The Certificate in Manufacturing Leadership program creates the added advantage of bringing a group of participants together from different companies who learn from facilitators and each other as they develop a resourceful network. The groundwork is laid during the first two Fundamentals sessions when participants learn about their individual DiSC style and gain techniques to read the styles of others in the workplace. And while they instantly bond with a group that shares their approach they also gain understanding and insight into the responses and approaches of different styles.



Participants meet others with similar behavioral styles and learn how to work with co-workers with differing styles.

Using DiSC helps build more effective working relationships based on an understanding of these different behavioral styles. But the training moves well beyond theory to specific, individualized, recommendations for directing, delegating, motivating and developing others based upon differences in workplace behaviors. Pre-work for Fundamentals of Leadership includes taking an online DiSC Management assessment that utilizes adaptive testing to produce a 26 page report. Attendees are instructed to print out the report and bring it to Day 1. While they have plenty of questions, and are ready for more specifics about how to use this new knowledge, these managers are also consistently amazed at how accurate the report is in describing their personal style and approach.

Aha Moments!

Step into the classroom toward the end of Day 1 and you are likely to hear, "That's why he asks so many questions," and "Now I see why she jumps into a project without waiting to get all of the instructions," and "No wonder he produces better results in a team." Once a manager recognizes these natural

tendencies, in themselves and others, they can tweak their approach and responses to facilitate success.

Don't worry, we are not advocating trophies for all effort. We are providing specifics on how and when to answer the questions, and stop taking them, give instructions in details or broad strokes and pair staff with a partner. With a ground rule of maintaining confidences participants can also gain insight and suggestions from another manager who has faced a similar situation.

Are you thinking about enrollment in the Certificate program or just Fundamentals of Leadership? Or, are you curious about DiSC Management Profiles? Join us on Friday, December 5th for Tools for Leadership Success we will introduce the concepts and you learn some people reading techniques to use back at work. The learning doesn't stop on December 5th; everyone who attends will leave with an authorization code for one free DiSC Management Profile.

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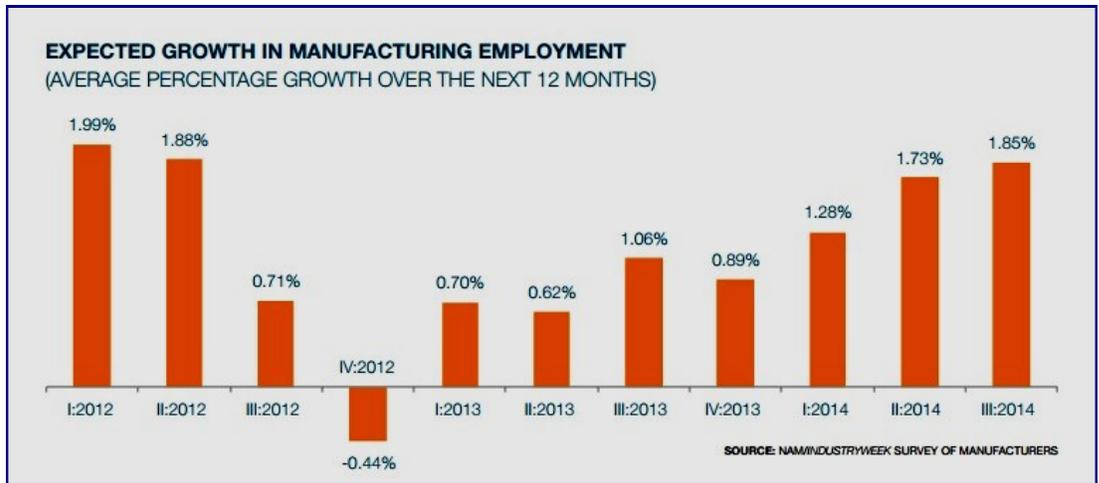
Wage & Benefit Matters

Health Care Costs and Wages Move Higher for Manufacturers

By Chad Moutray, chief economist, from The National Association of Manufacturers Member Focus

Earlier this month at the National Association of Manufacturers (NAM) Fall 2014 Board of Directors Meeting, there was considerable discussion about the significant growth in health insurance premiums. According to the latest NAM/IndustryWeek Survey of Manufacturers, benefit costs are expected to increase 6.3 percent on average over the next year. More than half of respondents predict premium increases of at least 10 percent in 2015. While most firms probably do not yet have actual premium figures for next year, the fact that so many expect double-digit gains is concerning. In addition, it helps to explain why 77.1 percent of respondents cite rising health care and insurance costs as their company's top business challenge.

According to the latest NAM/ IndustryWeek Survey of Manufacturers, benefit costs are expected to increase 6.3 percent on average over the next year. More than half of respondents predict premium increases of at least 10 percent in 2015.



The NAM/IndustryWeek survey asked manufacturers about changes they might make to their health insurance coverage next year, particularly in light of expected premium increases. More than half said they would have to increase copays and deductibles (55.8 percent) and/or increase the share of premiums paid by employees (54.4 percent); however, 36.7 percent would be able to offer the same plan. Manufacturers have long had one of the highest offer rates for health insurance, and indeed, only 1.8 percent intend to stop coverage.

Beyond the NAM/IndustryWeek data, the Kaiser Family Foundation's annual health benefits survey shows manufacturing premium costs rising. While many of the headline figures reflect a slowing in the rate of growth, the average annual cost of a family plan for manufacturing employees was \$16,538 in 2014, or 9.7 percent higher than in 2013 (\$15,082). Moreover, these costs have grown dramatically since 2005 and 2010, up 51.4 percent and 20.5 percent, respectively. Reflecting these increases, health insurance costs have risen from 8.7 percent of total manufacturing compensation in 2005 to 9.7 percent in 2014, according to the Bureau of Labor Statistics.

However, there are signs of optimism among manufacturers. Respondents to the NAM/IndustryWeek survey anticipate 2 percent growth in wages over the next 12 months, with slightly more than one-quarter predicting growth of 3 percent or more. In addition, they see hiring increasing 1.9 percent, the highest pace since early 2012.

Along those lines, manufacturing employees are also earning more in their paychecks. Average weekly earnings in the sector have increased from \$924.48 in January 2010 to \$1,022.13 in August 2014.

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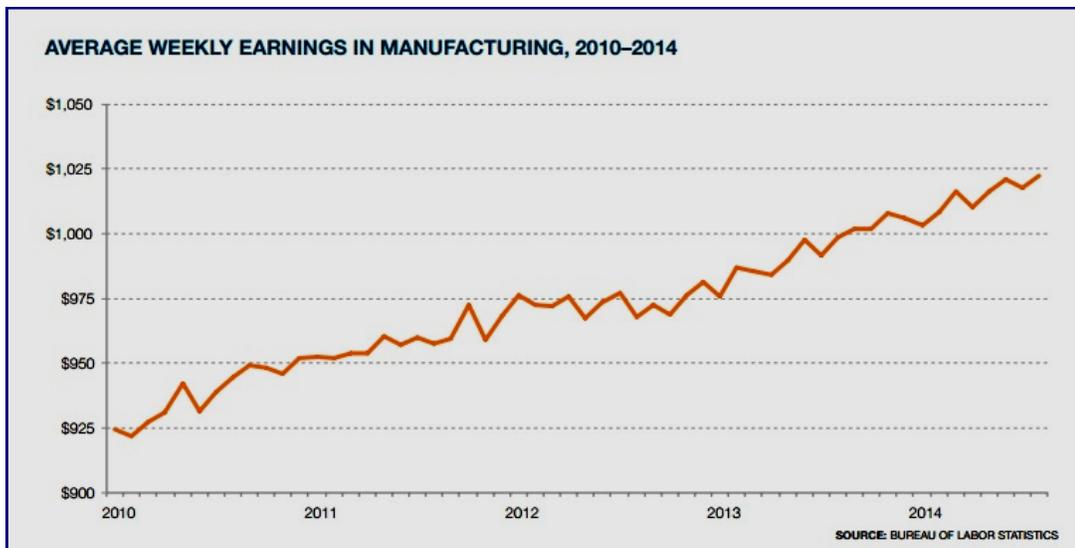
Over the past 12 months, hourly earnings have risen 2.3 percent. Moreover, total compensation (which includes benefits as well as wages and salaries) in manufacturing has risen from \$32.20 per hour worked in the first quarter of 2010 to \$35.74 in the second quarter of 2014. On a year-over-year basis, total compensation has grown 5.6 percent. In annual terms, the average manufacturing worker earned \$77,506 in 2013, or almost \$15,000 more than the overall average for all industries.

Manufacturing wages and salaries increased 3.4 percent at the annual rate in the second quarter, doubling the 1.7 percent pace in the first quarter. This marks the fastest pace for manufacturing wage and salary growth since the fourth quarter of 2001. While that shows just one quarter of data, it will be closely followed in the coming months to gauge whether or not we are starting to see a pickup in wage pressures. Beyond rising costs in general, skills shortages might also play a role in pushing up compensation costs, especially moving forward.

We often talk about the fact that manufacturing employment has increasingly become a more high-skilled, high-tech endeavor due to improved technology. This complicates workforce development because of the need for both constant retraining of existing employees and hiring new individuals with specialized skills.

Indeed, we heard at the board meeting that manufacturers have difficulty in attracting and retaining tal-

Council of Industry members are encouraged to participate in the 2014 Wage & Benefit Survey. Find more information on page 13.



ent. A study released in the spring by The Manufacturing Institute and Accenture found that more than 80 percent of manufacturers had moderate to severe shortages of highly skilled workers, costing them up to 11 percent in earnings annually. As manufacturers, we need to be more engaged in solving the problem. That is why the NAM's Task Force on Competitiveness & the Workforce released a toolkit to help manufacturers engage with local stakeholders to determine the key competencies needed to succeed in today's advanced manufacturing operations.

Beyond that, perception issues about manufacturing need to be addressed, with efforts to encourage more young people to pursue a career in the sector. Events like Manufacturing Day, held earlier this month, can help to change people's attitudes by showing them first hand that manufacturing today is a sleek, technology-focused industry that offers secure, good-paying jobs.

Overall, manufacturers continue to struggle with rising health care costs and in their ability to attract skilled workers. On the positive side, manufacturing employees remain highly compensated, with average wages and salaries growing. For more data visit www.nam.org/CostofRegulation.

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Health Care Matters

EEOC Files Two Recent Lawsuits Challenging Employer Wellness Programs

By Katherine S. McClung, Bond Schoeneck & King, PLLC, a Council of Industry Associate Member

Until the EEOC provides further guidance on this issue, employers should ensure that their wellness programs are truly voluntary.

The Affordable Care Act creates new incentives to promote employer wellness programs. However, employers should not rush to establish such programs without first considering the implications of the Americans with Disabilities Act. Why? The Equal Employment Opportunity Commission has not yet issued guidance on how employers may structure their wellness programs to avoid violations of the ADA, despite placing this issue on its Semiannual Regulatory Agenda in May 2014. In fact, the EEOC does not anticipate that any administrative direction on this issue will be forthcoming in the immediate future. Despite a lack of guidance, the EEOC is actively pursuing litigation in this area. In this regard, the EEOC recently filed two cases against employers, claiming that their wellness programs violated the ADA.

In the first case, the EEOC filed a complaint against Orion Energy Systems, Inc., alleging that through its voluntary wellness program, Orion required an employee to submit to medical examinations and inquiries that were not job-related or consistent with business necessity in violation of the ADA. According to the EEOC, Orion's wellness program required employees to complete multiple medical history forms and submit to blood work. One employee, Wendy Schobert, objected to participation in the wellness program. She asked whether participation was voluntary and whether the medical information would be maintained in a confidential file. The EEOC claims that Orion's personnel director and Ms. Schobert's supervisor told Ms. Schobert not to express any opinions about the wellness program to her co-workers. Ultimately, Ms. Schobert decided to opt out of Orion's wellness program. As a result, the EEOC asserts that Orion

In the second case, the EEOC filed a complaint against Flambeau, Inc. Similar to the Orion case, the EEOC alleges that the employer's well-



ness program violated the ADA by requiring employees to submit to medical examinations and inquiries that were neither job-related nor consistent with business necessity. Specifically, Flambeau's wellness program required employees to complete biometric testing and a health risk assessment. As part of this process, employees needed to disclose their medical histories and submit to blood work and measurements. Flambeau covered approximately 75% of the health insurance premiums for employees who completed this voluntary process. One employee, Dale Arnold, was not able to complete the biometric testing and health risk assessment as scheduled because he was on a medical leave of absence. According to the EEOC, Mr. Arnold tried to complete the biometric testing and health risk assessment when he returned from his medical leave, but Flambeau did not permit him to do so and instead terminated his health insurance coverage. Since Mr. Arnold could not afford to pay the entire premium cost for his health insurance under COBRA, his health insurance was canceled.

failed to pay Ms. Schobert's insurance premium costs because she did not participate in the wellness program and subsequently terminated her employment.

Until the EEOC provides further guidance on this issue, employers should ensure that their wellness programs are truly voluntary. Moreover, employers should make sure to avoid either significant penalties for employees who choose not to participate and/or significant rewards for employees who do participate in these programs. Finally, any medical information that employers obtain through a wellness program should be kept confidential and should not be used as a basis for making employment decisions involving the employee.



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CI Calendar of Training and Events

Nov 7	<u>Annual Luncheon & Member / Associate Member Expo</u> — 11:30 am—2:00 pm at the Dutchess Golf Club in Poughkeepsie NY. Seats are \$50 per person or \$350 for a table of eight. Sponsorships are available.
Nov 14	<u>EHS Meeting: Disaster Preparation - Are You Ready?</u> -8:30—10:00 am at the Council of Industry's office, The Desmond Campus, Newburgh, NY. No cost for members.
Nov 22	<u>Wage & Benefits Survey Deadline</u> — All participants will receive the results in December. The more companies taking part the better the data. Contact Harold King at hking@councilofindustry.org or call (845) 565-1355 if you need a survey or have questions.
Dec 5	<u>HR Sub-council Meeting: Tools for Leadership Success</u> — 8:30—10:00 am at Dutchess Community College. Presenter Rebecca Mazin, Recruit Right will cover Using the DiSC personality profile in the workplace. No cost for members.
Dec 31	<u>Early Bird Deadline for Certificate in Manufacturing Leadership</u> — Register and pay by 12/31/14 to receive a substantial discount on the Certificate in Manufacturing Leadership Program courses.
Jan 14& 21	<u>Certificate in Manufacturing Leadership: Fundamentals of Leadership</u> — 9:00 am—4:40 pm at Bowne Hall, Dutchess Community College, Poughkeepsie, NY. Cost: \$400 per person, \$350 each for two or more from the same company.
Feb 4	<u>Certificate in Manufacturing Leadership: Best Practices & Continuous Improvement</u> —9:00 am—4:40 pm at Bowne Hall, Dutchess Community College, Poughkeepsie, NY. Cost: \$200 per person, \$175 each for two or more from the same company.

You can find more information on the courses and events listed in our calendar by going to our website— www.councilofindustry.org or if you are reading our electronic version just press Ctrl and click the course title.



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Manufacturing Matters

"An excellent opportunity to see manufacturing as it is in today's world and how their course work in Engineering, Computer Science and Physics (and International Business, Accounting, Economics, Public Speaking and Photography, etc.) actually is relevant!" - Barbara Clinton, principal of New Paltz High School.

Manufacturing Day in the Hudson Valley

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Manufacturers and educators held a roundtable discussion on WKIP's radio program Hudson Valley Focus as part of the Manufacturing Day events.

Following that on October 3rd, three local companies hosted school groups, Fair-Rite Products in Wallkill; Sono-Tek Corp. in Milton; and Wolf-tec in Kingston. The school groups consisted of students that had already expressed an interest in engineering or manufacturing production. Two of the groups are part of a high school class called Project Lead the Way which teaches introduction to engineering courses at a college level with the students receiving college credit through Rochester Institute of Technology (R.I.T.) and the other group was the class from Hudson Valley Pathways Academy, the P-

TECH program for this area. This was a great experience not only for the students but the companies too. Robb Engle from Sono-Tek said, "Sono-Tek is strongly committed to high-tech, American manufacturing and is committed to our local community. So it makes good sense to host an event for the next generation of assembly technicians and engineers and make sure they understand the importance of STEM in the next few years of their lives."

The Project Lead the Way class from New Paltz High School visited Sono-Tek Corp. in Milton, where they learned that companies need people with a variety of backgrounds and skills while being given a tour by a former communication major. Barbara Clinton, Principal of NPHS, was a chaperone on the tour and came away quite impressed with the experience. "It was great! The students, Ms. Mallory and I had an excellent opportunity to see manufacturing as it is in today's world and how their course work in Engineering, Computer Science and Physics (and International Business, Accounting, Economics, Public Speaking and Photography, etc.) actually is relevant! Our tour guide was a Communications major... who never thought she would have anything



Students from New Paltz High School's Project Lead the Way Class got to see engineers in action at Sono-Tek in Milton.

to do with manufacturing, the Chief Financial Officer specifically emphasized the global market and your photographer (Alison Butler) shared her role in promoting the Council of Industry and the Hudson Valley. It was a very productive visit and the students were talking about all afternoon to their teachers."

At Fair-Rite Products in Wallkill, the Wallkill High School Project Lead the Way class was treated to a tour of the production facility by a former graduate of the program.

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Manufacturing Matters



Wallkill High School's project Lead the Way students had questions about internships and training programs during their tour of Fair-Rite Products in Wallkill.

The students and teachers were very interested in the variety of skills needed and how they are used in the production process. There were questions about internships and how they can lead to jobs at companies. It was a great experience for the students to see the opportunities that their futures could hold especially when talking with someone that was in their shoes not long ago.

The Hudson Valley Pathways Academy class was treated to not only a tour but an award presentation at Wolf-tec in Kingston. Hormel Foods presented Wolf-Tec with their "Spirit of Excellence" award recognizing the company as a quality supplier for each consecutive year since 2002. The students were treated to lunch and a tour of the brand new facility as well.



Students from the Hudson Valley Pathways Academy learned how many different steps and skills are involved in producing products at Wolf-tec in Kingston.

This group was very interested in the different production tasks that go into producing Wolf-Tec's food processing equipment. Even though these were 13 and 14 year olds they had questions on starting pay, summer employment and advancement within the company. "We are invested in promoting our industry and training students to be successful," said Ralf Ludwig, CEO of Wolf-tec, Inc. "We were pleased to host the P-tech students on Manufacturing Day and we were impressed by their interest in manufacturing and participation in this program and we hope to continue to engage with them throughout their technical education."

It is fantastic to see the amazement in the faces of these young people that are experiencing to magical world of manufacturing for the first time. They are seeing that the math and computer skills they are learning in class have real world applications with concrete final products. It opens up new worlds of possibilities for them and ignites in some the passion to create that fuels the manufacturing world.

"Manufacturing in the Hudson Valley is a secret we can't afford to keep anymore. If we want to attract the best and the

brightest into the field we have to let young people know what Council members already know – producing things is challenging, interesting, fun and important," Harold King said. "Manufacturing Day is an opportunity to begin to get that word out and we plan to build on this year's successes."

"We are invested in promoting our industry and training students to be successful," said Ralf Ludwig, CEO of Wolf-tec, Inc. "We were pleased to host the P-tech students on Manufacturing Day and we were impressed by their interest in manufacturing and participation in this program and we hope to continue to engage with them throughout their technical education."



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Financial Matters

Strengthening Dollar May Mean Challenges for Small U.S. Manufacturers

By Rob Garver, *The Fiscal Times*



An overly strong dollar can cause the price of U.S. exports to climb, making it difficult to sell into overseas markets and worsening the existing trade deficit.

The idea that the United States should strive to keep the value of the dollar high in terms of its exchange rate with foreign currencies seems, on its face, to make a lot of sense. A strong dollar tends to reflect a strengthening economy. It can protect against inflation, and give U.S. companies and consumers more buying power abroad. Who could possibly be against a strong dollar?

Well, any American business that wants to sell its products overseas has an interest in making sure the greenback doesn't put on too much muscle. An overly strong dollar can cause the price of U.S. exports to climb, making it difficult to sell into overseas markets and worsening the existing trade deficit.

Right now, the U.S. dollar is surging relative to almost all other major foreign currencies. In September, it gained 3.21 percent against the Japanese Yen, 2.44 percent against the Euro, and 1.51 percent against the British Pound. Numbers for the full third quarter of 2014 are even higher, with the dollar up more than 8 percent against the Yen and Euro, and 5.5 percent against the Pound.

Foreign exchange analysts tell *The Wall Street Journal* that they expect the trend to continue through 2015.

Part of the reason the U.S. dollar remains strong is that governments and financial institutions around the world use it as a "reserve currency." Among other things, it allows foreign central banks to manipulate the value of their own currency by purchasing it in exchange for dollars.

For the U.S., the demand for dollars overseas has some benefits, such as allowing the Treasury to borrow more cheaply than other countries can. However, that demand also keeps the dollar's value high relative to other currencies, which makes U.S. exports more expensive.

U.S. officials have long said that they remain committed to keeping the dollar strong. Speaking at an event in Washington yesterday, Treasury Secretary Jack Lew made clear that he is no exception, saying, "Like my predecessors, I believe a strong dollar is good for the United States."

Not all economists agree. In a speech Tuesday, William C. Dudley, president of the Federal Reserve Bank of New York, said that the strength of the dollar is keeping U.S. inflation below levels that economists believe is healthy for the economy.

Jared Bernstein, a senior fellow with the Center on Budget and Policy Priorities in Washington, has urged the U.S. to end its focus on protecting the dollar's status as the world's reserve currency, in large part because suppressing demand for U.S. exports drives down GDP and harms job creation. "The persistent U.S. trade deficit is a real barrier to full employment," he wrote on his blog last month

The strong dollar penalty faced by U.S. exporters may only worsen as the U.S. economy picks up steam at the same time that other major world economies continue to struggle. And when manufacturers can't export their goods, they don't hire new workers to make them.

Manufacturing Job Opportunities

If you have job openings and positions to fill:

- Post it on the Council of Industry Website www.councilofindustry.org
- Look at resumes from our member recommended **For Hire page**

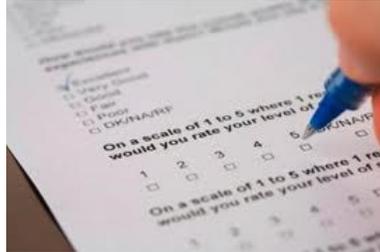
Contact Alison at abutler@councilofindustry.org for more info.



Member Benefits

Take Part in the 2014 Wage & Benefit Survey Online

With the help of Marist College's Dr. Ken Sloan and our Human Resources Sub-Council we have developed a survey that will provide useful and meaningful data while also being easy to complete. This year the survey is available online, contact the Council of Industry to receive your link. Participation in the survey is critical to its usefulness. The more companies that participate the more valuable and reliable the data will be. We encourage you to put aside some time to complete the survey to the best of your abilities.



To obtain a copy of the survey email Harold King at hking@councilofindustry.org.

Some more key information :

- Wage data should be reported as of September 30, 2014 (or as close to that date as is possible) to insure comparability of reported statistics. Wage data can be entered as hourly, weekly, monthly or annually.
- The survey is set up so that you can save and complete later so that you do not need to finish the entire survey at one time. Completed surveys should be submitted by November 22, 2014.
- Full Results will be shared only with companies that return completed surveys.

Results should be available the week of December 8th .

Last year's survey was excellent and very valuable for all who participated. We expect this years to be even more useful as we will be able to make comparisons to with last year's data as well as national and regional trends.

This year the survey is available online, contact the Council of Industry to receive your link. Participation in the survey is critical to its usefulness. The more companies that participate the more valuable and reliable the data will be.

Consumer Price Index for Sept. 2014

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Sept. '13</u>	<u>Sept. '14</u>	<u>Aug. '14</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	686.70	697.52	697.11	0.42	0.1	1.6
1982-84= 100	230.54	234.17	234.03	0.15	0.1	1.6
All Urban Consumers						
1967=100	701.41	713.04	712.50	0.54	0.1	1.7
1982-84=100	234.15	238.03	237.85	0.18	0.1	1.7

Hudson Valley unemployment rate for September 2014 = 5.1%

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Contact Alison Butler at
abutler@councilofindustry.org

Energy Matters

What should your business do? As always, it depends on more than the energy markets—it also depends on your business, your goals, your concerns, your risk tolerance, etc.

Energy Buying Strategies: Market Overview

from Direct Energy's Energy Insights, a Council of Industry Associate Member

Fall is here and for energy buyers, that means that winter is around the corner. For many energy managers, this time of year can be a buying season, with the hopes of a “fall dip” to secure purchases before the start of winter and the risk of sustained cold weather sets in. Although there is no way to predict a “best time to buy,” here is what we know about the past and future of the energy markets, that can help your business make an informed decision about its buying strategy.

Let's start by giving the meteorologists some credit. As forecasted, this summer has been mild in the East and hot in the West. Unfortunately, few predicted last year's Polar Vortex. And, even if it was predicted, would buyers have paid a significant premium based on a weather forecast? Either way, the Polar Vortex continues to affect prices for the upcoming winter—especially in the U.S. Northeast, where there are large regional price premiums in place.

From a NYMEX perspective, prices fell consistently from March through mid-July of this year. Since then, natural gas Prompt Month futures have been range-bound between \$3.70 and \$4.10 per MMBtu. Long-term NYMEX strips have fallen modestly since last winter, but are now at a premium to the near-term and, as noted above, regional prices are following a different pattern. Winter natural gas basis and power prices are remaining strong for any market where there was volatility last winter. When the NYMEX falls, the gas basis rises to offset any impact on the combined price (NYMEX + basis). And, this sum is the driver of the regional power price. This is especially true in Eastern New York and New England where winter gas basis is at an all-time high, despite strong storage injections this season. Prices for Winter 2015/16 are seeing a similar trend, although less pronounced.

What should your business do? As always, it depends on more than the energy markets—it also depends on your business, your goals, your concerns, your risk tolerance, etc. So, take any commentary below and apply it to your particular situation.

Overall, hedging the winter prices now is worth considering and use of a managed product can be a big help in this murky price environment. Here are



some additional strategy and product considerations, some of which we posted here a few months ago.

Winter prices remain stubbornly high for the Northeast, which seems to be a reason not to buy. But, the primary reason is winter risk, which has been inflated following the Polar Vortex. The best chance

for a dip is a mild winter, but this would entail taking significant risk. Some early forecasts are calling for cold, although not as bad as last winter. This data is basically supportive of buying something now (see layering comments below).

In addition to winter, you might want to consider buying beyond the winter. While prices for Q12015 are relatively close to their all-time highs, prices for Q32015 are close to their all-time lows. There could be more downside during the winter if it is mild, but why not consider buying beyond the winter, where there is good value and much less of a risk premium?

Prices for 2016 are worth watching. Calendar '16 is about \$4 below Calendar '15 and Winter 2016 prices are about \$7 below Winter 2015 prices. It may not necessarily be worth buying right now, but it could be prudent to set targets in case the market falls further. Should prices be higher or lower for the long-term? While shale growth is prolific, don't ignore potential impacts from LNG exports, new gas pipelines, EPA regulations that discourage coal generation, and strengthening industrial demand. As noted above, value in the regional power markets also varies and should be examined.

For those with a strategy that allows layering of forward purchases, winter layers are a defense at this point and summer purchases could be an initial value purchase, to be followed by more purchases if prices drop. Long-term buys can provide rate stability and are a risk management tool. And, index market participation can bring value, as long as risk is managed appropriately.

Energy markets and your energy strategy are both very complex. Please reach out to your Direct Energy Business representative for help in implementing the best buying strategy for your business.



Continued from page 4 Personnel Matters

The second step (the Regional session) is designed to engage employers and other partners in identifying regional priorities and to create an action plan that will:

- Provide direction for the partnership
- Define ongoing activities to promote manufacturing and development of a skilled Mid-Hudson Valley workforce
- Identify specific steps, measures and timelines for assessing progress
- Build a sustainable workforce development system

Ultimately success and sustainability will hinge on whether employers will realize a return on their investment in a systems approach to workforce development, whether workers find satisfactory employment, and whether the regional economy is strengthened.

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