



Council of Industry Newsletter

Summer 2014
Volume 18
Issue 6

Manufacturers Visit the Hill to Advance the Manufacturing Comeback

The more than 500 manufacturers of all sizes who attended the NAM's 2014 Manufacturing Summit earlier this week could not have been clearer: Washington needs to support the policies that will advance the manufacturing comeback. The Council of Industry's Harold King and the Manufacturers Alliance of New York's (MANY) Karyn Burns were there representing the Hudson Valley.

"Your presence in Washington sends a powerful message to lawmakers," NAM President and CEO Jay Timmons told attendees at the June 10 Summit kickoff. With more than 220 scheduled congressional meetings over the subsequent 24 hours, the need for pro-growth policies that enhance manufacturers' competitiveness was made loud and clear in Washington.



From Capitol Hill to the White House, the efforts of the manufacturing army were widely recognized. Vice President Joe Biden praised the strength and ingenuity of manufacturers in his June 10 address to the Summit. "Innovation is stamped into your DNA," Vice President Biden said. He called for action in three key areas to grow the manufacturing economy and the overall economy: investing in infrastructure, developing a skilled workforce and passing immigration reform.

Citing an NAM-Building America's Future study that showed an overwhelming majority of manufacturers believe that U.S. infrastructure is not improving at a pace to keep up with the needs of business, Vice President Biden advocated vast improvements in infrastructure investment.

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Come Out and Enjoy a Fun Day of Golf on August 18th

The Council of Industry will hold its Annual Golf Outing on Monday, August 18th at the Powelton Club in Newburgh. The Powelton is a beautiful course conveniently located just off of Route 9W in Newburgh, NY. Last year's event drew over 80 golfers from manufacturing

firms throughout the Hudson Valley. This is always a fun time and prizes will be given for best ball, closest to the pin, longest drive and yellow ball.

Registration and lunch will begin at 11:30 followed by a shotgun start at 12:30. Cocktails and a light dinner will follow at approximately 5:00 p.m.

The \$165 fee (\$600 per foursome) includes: lunch, golf, cart, cocktails, hors d'oeuvres, dinner, prizes and giveaways. Proper golf attire required - soft spikes only.

Sponsorships are available. Sponsors help make this event possible and one of the most enjoyable of the golfing season. There are a variety of levels of support to fit your company budget. Please support the Council of Industry and Hudson Valley manufacturing by becoming a sponsor. Sponsorship includes: prominent mention in two CI newsletter stories, be publicly thanked at event, hang your banner at the event (cocktail and luncheon sponsors only), tee signs (for all major sponsors).

Continued on page 13



Training and Education

Regulatory Refresher Training this Fall

DOT Hazardous Materials Training

Date: Thursday, September 18, 2014*

Time: 8:30 am - 12:30 pm

Where: Chemprene, Beacon, NY

Instructor: HRP Associates

Cost: \$120 per person or \$110 each for two or more from the same company.

To Register: Online <http://www.councilofindustry.org/course/dot-hazardous-materials-training/> or call (845) 565-1355 Or email Training@councilofindustry.org



For more information or to register go to <http://www.councilofindustry.org/training/course-list/> and select Regulatory Training or contact Alison Butler at training@councilofindustry.org or call (845) 565-1355.

DOT Hazardous Materials training will address the following topics: Overview of Hazardous Materials regulations, Definition of Hazardous Material, How to properly name a Hazardous Material, How to package, label and prepare manifest for Hazardous Materials emergency Response. Who should attend the training? DOT regulation 49 CFR 172.700 requires that all “hazmat employees” be trained or re-trained every 3 years. “Hazmat employees” include anyone who labels, marks, loads/unloads, prepares shipping papers or transports hazardous materials by road, water, rail or air.

RCRA Hazardous Waste Training

Date: Thursday, October 2, 2014*

Time: 8:30 am - 12:30 pm

Where: Chemprene, Beacon, NY

Instructor: HRP Associates

Cost: \$120 per person or \$110 each for two or more from the same company.

To Register: Online <http://www.councilofindustry.org/course/rcra-hazardous-waste-training/> or call (845) 565-1355 Or email Training@councilofindustry.org

The RCRA Hazardous Waste training will include the topics: Overview of RCRA, Definition of Hazardous Waste, Classifications of Hazardous Waste generators, Requirements of Hazardous Waste generators, Container Management, Universal Waste Enforcement, What to do if you are Inspected? and Site-specific Contingency Planning. Who should attend the training? Federal and State regulation require that individuals at facilities classified as Large Quantity Generators of hazardous waste (>1,000 kg/month) involved with the management and handling of hazardous waste (i.e. label drums, transport, etc.) must receive RCRA hazardous waste training on an annual basis.

HAZWOPER

Date: Thursday, October 16, 2014*

Time: 8:30 am—4:30 pm

Where: Chemprene, Beacon, NY

Instructor: HRP Associates

Cost: \$120 per person or \$110 each for two or more from the same company.

To Register: Online <http://www.councilofindustry.org/course/hazwoper/> or call (845) 565-1355 Or email Training@councilofindustry.org

The training will consist of four hours of classroom sessions including presentations, question and answer and video presentations, as well as four hours of hands-on training. This training will include: Classroom: Overview of HAZWOPER regulations; Health and physical hazards associated with spill response; Toxicology; Risk Assessments (electrical, confined space, heat, noise, etc.); Fire protection; Hazard identification and communications; Personal protective equipment; Hazard control; and Monitoring and Instrumentation.

Hands-on Training: Dress out Level D, C and B personnel protection; Methods of decontamination; Donning/doffing of respirators and their limitations; One drum scenario (recognize labels, reference materials, spill control, PPE selection, plug patch repair and over pack of drum, label over pack); Decontamination and Critique of scenario training.

*Dates and locations are subject to change based on availability.



Network & Council News

October HR Sub-council: Unemployment Insurance Reform

Presenter: Thom Kleiner from the New York State Department of Labor

When: Friday, October 24th, 8:30-10:00 am

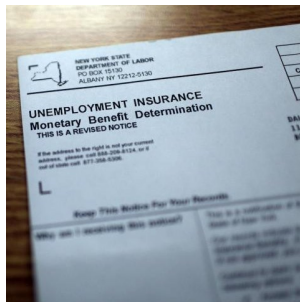
Where: The Council of Industry office, The Desmond Campus, MSMC, Newburgh, NY

Cost: None for members

Registration: online at: <http://www.councilofindustry.org/event-seminar/hr-sub-council-unemployment-insurance-reform/>

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

New York State has just passed unemployment insurance reform. The reform is expected to help employers pay off their debt. The reform is expected to reduce interest payments to the federal government, prevent fraud, bring equity among employers, and encourage claimants to return to work. Find out what's in the new reforms and how they will impact your business.



Thom Kleiner is the Hudson Valley Regional Representative for the Commissioner of the New York State Department of Labor. In this capacity, he represents and speaks for the Commissioner before representatives of labor, government, not-for-profits, academia, business and economic development agencies in the seven county lower Hudson Valley region. He particularly works with workforce development professionals, labor and businesses to promote emerging growth industries, including green jobs, biotech and healthcare services, and assists educational institutions to provide the skills and training necessary to prepare young people for jobs in these growth sectors.

September EHS Sub-council Meeting: Proactive Incident Management

Presenter: Ron Coons, InPhinite Potential

When: Friday, September 19th, 8:30-10:00 am

Where: Rose & Kiernan, Fishkill, NY

Cost: None for members

Registration: online at: <http://www.councilofindustry.org/event-seminar/ehs-sub-council-meeting-proactive-incident-management/>

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

A lot goes into an effective safety and health program. And with so much to keep track of in order to stay compliant with OSHA regulations, most people in charge of safety never seem to find the time to stop and understand the benefits of taking a proactive approach to incident management.

This presentation will discuss how achieving a zero-accident culture can only be reached when you move from a position of reactivity to one that is proactive when it comes to managing incidents within your facility.

Attendees will walk away from this presentation with the following information:

- What analytical information to capture after an incident occurs and how it can improve your programs future success
- Techniques that will allow you to foresee incidents before they happen
- What types of corrective actions will give you the biggest bang for your buck
- How to easily and effectively create an incident tracking system in your facility
- Why taking a proactive approach to incident management is critical to building a world-class safety program.



This presentation will discuss how achieving a zero-accident culture can only be reached when you move from a position of reactivity to one that is proactive when it comes to managing incidents within your facility.

Personnel Matters

Why Prefer a Certified Production Technician (CPT) When You Hire?

By Dr. Jim Kimple, Council of Industry TAACCCT Grant Coordinator

The goal of the CPT certification program is to raise the level of performance of production workers both to assist the individuals in finding higher-wage jobs and to help employers ensure their workforce increases the company's productivity and competitiveness.

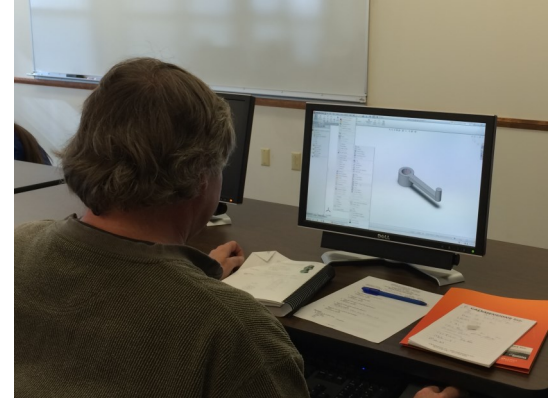
Note: Just about when you thought you were up to here with abbreviations and acronyms, it's time to add another to the alphabet soup: CPT (Certified Production Technician). This one is both good and good for you. And it's time to think of making CPT a requirement to fill open production jobs.

What is CPT? The designation comes from the Manufacturing Skills Standards Council and is endorsed by the National Association of Manufacturers. As NAM puts it "the goal of the CPT certification program is to raise the level of performance of production workers both to assist the individuals in finding higher-wage jobs and to help employers ensure their workforce increases the company's productivity and competitiveness". The Council of Industry and its partner colleges are now preparing the first Mid-Hudson CPT cohort.

Why prefer CPT applicants? First, it will reduce hiring costs and turnover. Let's begin with a comment from a COI member—

"I don't need a certified machinist. Our process is unique, so we'll need to train people to run our equipment anyway. What we need is someone who understands the manufacturing process, knows how to use basic tools, understands shop math, and who is reliable and can learn. What I don't want is someone who begins to get trained and doesn't work out because they miss work or can't get along with coworkers."

This manager is concerned about how long it takes to get a new hire up to speed and what the hiring process costs in terms of lost productivity and resources dedicated to training. Anything that will shorten the process, reduce non-value-added



time, and decrease hiring costs has competitive value. A CPT trainee meets the need. CPT also has a direct impact on the "skills gap": Manufacturers have had well-documented difficulty finding new employees with the required math, communication, shop literacy skills. The CPT-trained candidate brings knowledge of safety; quality practices and measurement; manufacturing processes and production; maintenance awareness to the interview. He or she has also demonstrated reliability and responsibility in completing of the course. At Dutchess Community College, this means that students now enrolled will have demonstrated their learning and commitment in the 160-plus hours of in-class, on line, and hands-on experience required to complete certification. CPT is also designed so that technicians who have earned it are prepared to continue developing skills required by changing technology—what educational jargon calls "stacked" and "latticed" skills.

Third, CPT addresses key regional economic issues: It creates a recognized and respected gateway to employment in industry for job seekers. It helps create a pool of prepared applicants for manufacturers. As more workers and students go through CPT training we raise the bar, making the Hudson Valley workforce more attractive to new companies.

A prepared and skilled workforce is a key piece of economic strategy to retain and attract industry in combination with the campaign to make NY more business friendly. As COI members begin to advertise that they desire or require Certified Production Technicians, our partners in education will continue to train them. We in the Hudson Valley can then advertise that "we have a workforce for you".

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LENDER



More Personnel Matters

New Guidance on Pregnancy Discrimination Released

From HRHero.com

For the first time since 1983, the Equal Employment Opportunity Commission (EEOC) has issued enforcement guidance on pregnancy discrimination. The new guidance incorporates significant developments in the law during the past 30 years, including how the 2008 amendments to the Americans with Disabilities Act (ADA) may apply to employees with pregnancy-related disabilities.

The EEOC issued Enforcement Guidance: Pregnancy Discrimination and Related Issues on July 14. Besides the guidance, the agency released questions and answers about the guidance and a fact sheet for small businesses.

“Pregnancy is not a justification for excluding women from jobs that they are qualified to perform, and it cannot be a basis for denying employment or treating women less favorably than coworkers similar in their ability or inability to work,” EEOC Chair Jacqueline A. Berrien said in releasing the guidance.

Berrien said that in spite of progress, the EEOC continues to see a significant number of charges alleging pregnancy discrimination. “This guidance will aid employers, jobseekers, and workers in complying with the Pregnancy Discrimination Act [PDA] and [the ADA] and thus advance [the] EEOC’s Strategic Enforcement Plan priority of addressing the emerging issue of the interaction between these two antidiscrimination statutes,” she said.

The guidance sets out the PDA’s fundamental requirements that an employer may not discriminate against an employee on the basis of pregnancy, childbirth, or related medical conditions and that women affected by pregnancy, childbirth, or related medical conditions must be treated the same as other employees who are similar in their ability or inability to work.

In addition, the guidance explains how the ADA’s definition of “disability” could apply to workers with impairments related to pregnancy. The question-and-answer document explains that the ADA prohibits employment discrimination on the basis of disability and requires covered employers to provide reasonable accommodations “to the known limitations of otherwise qualified employees and applicants for employment.”

“Although pregnancy itself is not a disability, impairments related to pregnancy can be disabilities if they substantially limit one or more major life activities or substantially limited major life activities in the past,” the document states. “The ADA also covers pregnant workers who are regarded as having disabilities.”

Besides ADA issues, the new enforcement guidance discusses:

- The fact that the PDA covers not only current pregnancy but also discrimination based on past pregnancy and a woman’s potential to become pregnant;
- Lactation as a covered pregnancy-related medical condition;
- The circumstances under which employers may have to provide light duty for pregnant workers;
- Issues related to leave for pregnancy and medical conditions related to pregnancy;
- The PDA’s prohibition against requiring pregnant workers who are able to do their jobs to take leave;
- The requirement that parental leave (which is distinct from medical leave associated with childbearing or recovering from childbirth) be provided to similarly situated men and women on the same terms;
- When employers may have to provide reasonable accommodations for workers with pregnancy-related impairments under the ADA and the types of accommodations that may be necessary; and
- Best practices for employers to avoid committing unlawful discrimination against pregnant workers.

"This guidance will aid employers, jobseekers, and workers in complying with the Pregnancy Discrimination Act [PDA] and [the ADA] and thus advance [the] EEOC’s Strategic Enforcement Plan priority of addressing the emerging issue of the interaction between these two anti-discrimination statutes,"

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Legislative Matters

New York Legislature Repeals Annual Wage Theft Prevention Act Requirement

By Aaron Warshaw, Ogletree Deakins, from IMA Quick Update

During the flurry of activity in Albany prior to lawmakers' summer hiatus, the New York State legislature approved a bill that will eliminate the onerous requirement of providing annual wage notices to all employees. As New York employers are aware, the existing New York Wage Theft Prevention Act requires that wage notices be provided to new employees at the time of hiring and to all existing employees on a yearly basis between January 1 and February 1. Employers also must provide notice when there is a change to wage information, except that employers may do so via a compliant paystub rather than a separate wage notice.



In a move that will be welcomed by employers, the recently-passed bill eliminates the annual notice requirement. Although employers will still be required to provide pay notices at the time of hiring, elimination of the annual requirement will save employers from the administrative burden.

However, the legislation increases the civil and private damages for failure to provide notices at the time of hire. For actions brought by the New York Department of Labor (NYDOL), civil penalties increase from \$50 per week to \$50 per day. For private actions, the available damages for affected employees increase from \$100 per week to \$250 per day with a cap of \$2,500 to \$12,500 per employee. The legislation also increases the NYDOL civil penalty for failure to provide required paystub information from \$100 per day to \$250 per day. Additionally, where violation of the law is "willful or egregious," the NYDOL may require that employers report wage data that will be published on its website. Finally, the bill contains language intended to increase joint liability among successor entities and limited liability corporations.

The bill is now subject to Governor Andrew Cuomo's consideration and signature. We will continue to monitor the legislation ahead of its possible adoption ahead of the January-February 2015 annual wage notice period.

Supreme Court Invalidates NLRB Recess Appointments

From NAM Capital Briefing

In a win for business and by a unanimous decision, the U.S. Supreme Court on June 26 invalidated President Obama's three National Labor Relations Board (NLRB) recess appointments made in January 2012.

In its decision on the NLRB v. Noel Canning et al. case, the Supreme Court stated that "the Senate is in session when it says that it is, provided that, under its own rules, it retains the capacity to transact Senate business.... Under the standard set forth here, the Senate was in session during the pro forma sessions at issue... so the President lacked the authority to make those appointments."



The Supreme Court's decision invalidates the NLRB cases decided during the time the three appointees were on the board (January 2012 through July 2013) because the board lacked a quorum (at least three out of the total five must be sitting) to make decisions. As a result, the NLRB will now have to re-decide more than 300 cases that it issued last year.

The NAM is a leading member of the Coalition for a Democratic Workplace, which supported a federal lawsuit challenging these unlawful recess appointments and filed an amicus brief in the case.



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Healthcare Update

Orientation Period Final Regulations Released

From ADP.com, a Council of Industry Associate Member

Background

Under the ACA, for plan years beginning on or after January 1, 2014, a group health plan or health insurance issuer offering group health plan coverage is prohibited from requiring that an otherwise eligible employee wait longer than 90 days for enrollment and coverage to be effective under the terms of the plan. The 90 days is comprised of all calendar days including weekends and holidays. Being “otherwise eligible to enroll” under the terms of the plan means the individual has satisfied the plan’s substantive eligibility terms. For example:

- Being in an eligible job classification
- Achieving job-related licensure requirements specified in the plan’s terms
- Meeting a reasonable and bona fide employment-based orientation period

On February 24, 2014, the final 90-day waiting period regulations were published in the Federal Register. Proposed regulations were also published allowing plans to use “orientation periods” of up to one month in addition to the 90-day waiting period as long as the period was a “reasonable and bona fide employment-based orientation period.”

Orientation Period Final Regulations

The final regulations regarding the orientation period, as released on June 20, 2014, stated that the orientation period will not violate the 90-day waiting period rule if the following requirements are met:

- The period is not more than one month
- The 90-day waiting period begins on the first day after the orientation period

During this one-month period, according to the Departments, the employer and employee can:

- Evaluate whether the employment situation is satisfactory to both parties
- Begin standard orientation and training procedures

Under the final regulations, the one-month period is determined by adding one calendar month and subtracting one calendar day, measured from an employee’s start date in a position that is otherwise eligible for coverage. For example, if an

employee’s start date is May 3, the last permitted day of the orientation period is June 2. In another example, if the employee’s start date is October 1, the last permitted day of the orientation period is October 31.

If there is not a corresponding date in the next calendar month when adding a calendar month, the last permitted day of the orientation period is the last day of the next calendar month. For example, if the employee’s start date is January 30, the last permitted day of the orientation period is February 28 (or February 29 in a leap year).

The preamble to the final regulations on orientation periods also stipulates that adherence to the 90-day waiting period and orientation period rules will not always result in compliance by an employer with the ACA employer mandate rules under Internal Revenue Code Section 4980H. An employer subject to the employer mandate may have to pay a penalty if the employer does not offer affordable minimum coverage to certain newly hired, full-time employees by the first day of the fourth calendar month following their start date.

The orientation period final regulations apply to group health plans and health insurance issuers for plan years beginning on or after January 1, 2015. However, for the remainder of 2014, employers may rely on the proposed orientation period regulations, which are substantively consistent with the final regulations.

For a copy of the final orientation period final regulations, please click on the link provided below.

<http://www.gpo.gov/fdsys/pkg/FR-2014-06-25/pdf/2014-14795.pdf>

The orientation period final regulations apply to group health plans and health insurance issuers for plan years beginning on or after January 1, 2015.

However, for the remainder of 2014, employers may rely on the proposed orientation period regulations, which are substantively consistent with the final regulations.

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EHS Matters

A proactive approach however means that members of the organization who are charged with one of the many responsibilities of incident management have their thumb on the pulse of the organizations safety issues.

Proactive Incident Management: The Foundation That Successful Safety & Health Programs Are Built Upon –Part I

By Ron Coons, InPhinite Potential, a Council of Industry Associate Member

From laminated lockout procedures on each piece of equipment to pristine MSDS and eye wash stations, an effective safety and health program requires a large amount of time, energy and focus. And regardless of how many gallons of safety yellow you use to paint lines on the floor or safety toolbox talks you conduct, if you're not taking a proactive approach to incident management, everything else you are doing may add up to nothing more than visual imagery.

Looking back on my more than fifteen years as a safety geek, I would have to say that one of the most valuable lessons I learned early on was realizing the significance of making the transition from a reactive stance towards safety and health to one that is proactive. By making this one simple change in mindset, my success in implementing safety and health programs changed dramatically. Although changing the mindset of the individual (the safety professional) is important, it will ultimately be a fruitless endeavor unless the mindset of the company as a whole is changed as well. This will require a collective paradigm shift throughout the entire company;

While we will be covering the "what" and "how" of proactive incident management in an upcoming event in September, I thought it would be beneficial to use these two articles as an opportunity to discuss the "why" or concept behind taking a proactive approach to your incident management process. By taking this proactive approach you will also be forcing these paradigm shifts to take hold within your organization. So in this first article let's take a look at one of the first paradigm shifts that will have to take place in order for you to build your new foundation for a world class safety and health program.

From Reactive to Proactive - The very structure of today's organization is counter-intuitive to a proactive mindset. The lean and mean, doing more with less type organizational mindset of today's company does not lend itself to having the staff on hand to respond to an incident as soon as it occurs. Today's managers and supervisors just can't seem to find the man power to dedicate to an incident. And this is funny because if there is a sudden problem with a piece of equipment or product, you can bet that there will be a gaggle of people gathered around the problem determined to solve it.

The very idea of a company having a reactive mindset means that they are sitting around waiting for something to happen. Their belief is 'no news is good news.' But the reality is that they are allowing their circumstances to control them. When an incident occurs they gather whatever basics are needed to satisfy HR's need for completing the C-2 form

and then back to their usual holding pattern, awaiting the next incident to occur.



A proactive approach however means that members of the organization who are charged with one

of the many responsibilities of incident management have their thumb on the pulse of the organizations safety issues. In their spare time they are working on corrective actions, toolbox talks, disciplinary action, as well as other related outcomes of a root cause analysis. They are talking about the incident in weekly staff meetings, safety committee meetings or other forms of communication that can increase employee's awareness of an incident. The proactive approach means that all levels of the organization are working towards making sure the incident never happens again.

Ron Coons will be the presenter for the September 24th EHS sub-council meeting. Topic: Proactive Incident Management: The Foundation That Successful Safety & Health Programs Are Built Upon

When: Friday, September 24th, 8:30- 10:00 am

Where: Rose & Kiernan, Fishkill, NY

Cost: None for members

Registration: online at: <http://www.councilofindustry.org/event-seminar/ehs-sub-council-meeting-proactive-incident-management/>

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



CI Calendar of Training and Events

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|----------------|--|
| July 24 | <u>Tax Laws Affecting Manufacturing Seminar</u> -8:30 am - 10:30 am at the Council of Industry Office, The Desmond Campus, MSMC, Newburgh, NY. Cost: None for members |
| Aug 18 | <u>Council of Industry Golf Outing:</u> 11:30 lunch followed by 12:30 shotgun start at the Powelton Club in Newburgh. Cost: \$165 per person or \$600 for a foursome. Sponsorships are available. |
| Sept 18 | <u>DOT Hazardous Materials Training</u> -8:30am - 12:30pm Location: TBD* Instructor: HRP Associates, Inc. Cost: \$120 single member, \$110 two or more from same company, \$145 single non-member. Date and location subject to change based on availability. |
| Sept 19 | <u>EHS Sub-council meeting: Safety Program Best Practices</u> —8:30—10:00 am at Rose & Kiernan, Fishkill. Presenter: Ron Coons, InPhinite Potential. No cost for members. |
| Oct 2 | <u>RCRA Hazardous Waste Training</u> - 8:30am - 12:30pm. Location: TBD* Instructor: HRP Associates, Inc. Cost: \$120 single member, \$110 two or more from same company, \$145 single non-member. Date and location subject to change based on availability. |
| Oct 16 | <u>HAZWOPER</u> —8:30am - 4:30pm, Location: TBD Instructor: HRP Associates, Inc. Cost: \$240 single member, \$220 two or more from same company, \$260 single non-member. Date and location subject to change based on availability. |
| Oct 24 | <u>Human Resources Sub-council meeting: Unemployment Insurance Reform</u> — 8:30—10:00 am at the Council of Industry's office, The Desmond Campus, Newburgh, NY. No cost for members. |

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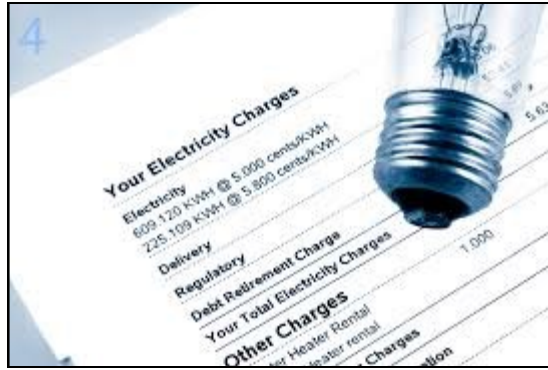
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Contact Alison at abutler@councilofindustry.org for more info.

Energy Matters

House of Representatives Passed Amendment to Prohibit Funds from Enforcing the New Electric Capacity Zone in the Hudson Valley

Maloney said he has "never seen an agency so unaccountable or encountered bureaucrats so callous to the damage they could inflict on hardworking families and businesses."



The House of Representatives passed a Council of Industry supported amendment jointly sponsored by Mid-Hudson Lawmakers Sean Patrick Maloney (D, NY18) and Christopher Gibson (R, NY19) to prohibit funds from enforcing the new electric capacity zone in the Hudson Valley. The lawmakers also secured language that requires FERC to reexamine and reform the way they conduct that type of decision-making to ensure that the commissioners hear and consider the concerns of local ratepayers.

Maloney said he has "never seen an agency so unaccountable or encountered bureaucrats so callous

to the damage they could inflict on hardworking families and businesses."

Gibson said they "will not relent in our efforts to prevent this agency from doing further damage to the families and the economy of the Hudson Valley, where people are already struggling to make ends meet because they are saddled with huge electric bills." He said FERC must be held "accountable to the citizens it represents."

The Senate, however, is not likely to vote on its version of the legislation until closer to the Oct. 1 start of the 2015 fiscal year.

The co-authors of the House measure – Democratic Rep. Sean Maloney of Cold Spring and Republican Rep. Chris Gibson – said in a conference call July 11th the House action should send a strong message about public opposition to the higher rates. The lawmakers urged FERC, which established the new wholesale electricity zones — called capacity zones — around the state, to roll back its action.

Maloney and Gibson said they hope Sen. Chuck Schumer will insert an identical measure into the Senate's energy and water spending bill.

Schumer's spokesman, Max Dworin, indicated Friday the senator is looking at the best way to approach the issue. "Senator Schumer is exploring every possible way to roll back this unwanted, unfair and unfounded capacity zone rate increase," his spokesman said.

FERC spokeswoman Mary O'Driscoll said her agency has no comment on the House vote.

Central Hudson Gas & Electric Corp. announced its rates increased an average of 6 percent for residential customers and up to 10 percent for large industrial customer as of May 1 because of the higher wholesale prices. The higher rates also are hitting New York State Electric and Gas customers and Orange and Rockland ratepayers in many parts of the Hudson Valley. Council of Industry members are reporting increases of as much as 20%.

County Executives Marcus Molinaro (Dutchess), Michael Hein (Ulster) and Stephen Neuhaus (Orange) have also been vocal critics of the regulation, with Molinaro leading efforts to have the regulation overturned both through legislation and litigation.



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Manufacturing Matters

Be a Part of Manufacturing Day 2014

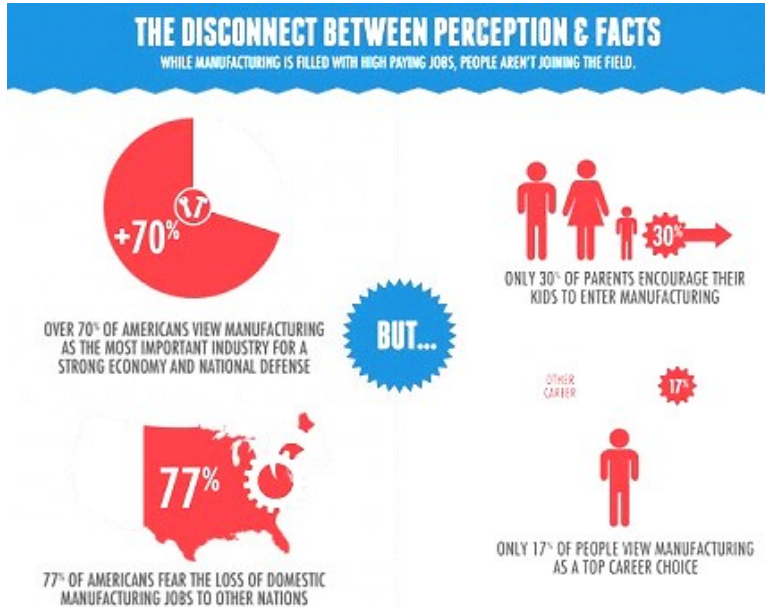
On Friday October 3rd, Manufacturers across the country will open their doors and welcome their communities into their facilities in an effort to increase public awareness of the value of manufacturing. Here in the Hudson Valley we encourage our members to become a part of this nationwide event and host an open house in your facility.

This is a day dedicated to overcoming the shared challenges facing manufacturers today. The most pressing issue is a gap in skilled labor. 80 percent of manufacturers cannot find the skilled workers they need. This gap continues to widen. Manufacturers' ability to address this issue has been hindered by the public perception that careers in manufacturing are undesirable and by insufficient preparatory education. Both of these problems stem from a lack of understanding of present-day manufacturing environments, which are highly technical. Help to inform those in your community and encourage our youth to understand that manufacturing is a vital.

Manufacturing Day is an opportunity to raise and address these misconceptions by simply exhibiting what manufacturers do to visitors curious about manufacturing. This can be accomplished by hosting open houses, public tours, career workshops and other events. Through this collective effort, Manufacturing Day draws public attention to manufacturing's present-day reality and encourages job seekers to develop the skills they need to qualify for long-term careers in this secure and growing sector of the economy. The Council of Industry website has tips and information for organizing your event and more info can be found here at: www.mfgday.com.

Educating a Future Workforce

This change in perception is the first step in addressing one of the main challenges faced by manufacturers today — a gap in skilled labor. By



giving manufacturers an occasion to share what they do with their communities, Manufacturing Day provides manufacturers with an opportunity to connect directly with job seekers and students to begin to address the skilled labor shortage they face.

Here in the Hudson Valley, the Council of Industry is part of the TAACCCT Grant (Trade Adjustment Assistance Community College and Career Training) and is working with the six SUNY Community Colleges serving the Mid-Hudson (Dutchess, Orange, Rockland, Sullivan, Ulster, and Westchester) to implement the grant. The Council has created a workforce development committee and members have defined their skill needs for the colleges. The program provides skill screening, education, and workplace experience to prepare participants for employment in high-wage, high-skill occupations. Initially, the system will emphasize placing veterans and workers displaced by the economy and structural changes in industry.

Continued on page 15

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Financial Matters

The Importance of Setting Insurance Limits Properly

By Scott Lemmerman, CIC, CRM, NBT Insurance Agency, Council of Industry Associate Member

Here are that are ways to help make sure that your property limits are valued properly and how to help protect your business at the time of a loss.

Imagine this, you just got a great deal on a manufacturing building. Due to the weak economy you were able to purchase a 100,000 square foot facility for only \$3,000,000. For this example the Replacement Cost Value

(RCV) for this building is \$10,000,000. RCV is defined as the cost to replace damaged property with like kind and quality without taking into account depreciation. Another way to put it is replacing old for new. You get two quotes for the property insurance for this building. The first is with a limit of \$3,000,000 for the building and that one will run you \$30,000 per year. The second is for a limit of \$10,000,000 and that quote is for \$100,000 per year. Due to the lack of time, you did not have a chance to review the implications of having a lower limit, so a rushed decision was made based on cost. Therefore, you elect to cover this building with a \$3,000,000 limit. A few months later this building burns down to the ground resulting in a total loss. Simple math and common sense will tell you it will cost \$10,000,000 to rebuild a new building. However, since the building was underinsured with a limit of \$3,000,000, the difference of \$7,000,000 to complete the project is a retained loss and a very expensive lesson to learn.

Let's introduce the term coinsurance one of the most grossly misunderstood subjects in insurance. Coinsurance is defined as a rating and underwriting concept that is designed to encourage an insured to purchase an amount of insurance nearly equal to or equal to the RCV of the property insured. Using the



your insurance company and they explain to you that you are in the Coinsurance penalty. They go on to tell you that because you insured the building 30% to value your claim is paid 30% to value.

Please note that Business Personal Property or BPP, which is everything beside the actual building, such as equipment, inventory, furniture, computers, etc., can also be vulnerable to a coinsurance penalty. The RCV is tougher to determine on the BPP because there is not a standardized system for this as there is for buildings. However, you can be assured at the time of a major loss an insurance company will do an investigation to determine what the RCV should be.

Ways to help make sure that your property limits are valued properly:

- Request to have a building valuation report done
- Review the report for errors
- Be aware of what your insurance company's policy is for coinsurance
- Review your limits at least once a year
- Keep an inventory and equipment list with values and model numbers
- Take pictures and store them at a secure location

How to help protect your business at the time of a loss:

- Take pictures and document the process
- File your conversations with all parties involved
- Keep your insurance company in the loop throughout the entire procedure
- Do what your insurance company tells you to do. If instructions do not seem logical, ask the insurance company to clarify

After reading this article, you may have questions; that is good. The purpose of this article is to prompt you to ask yourself, "Am I properly covered and how will my policy and risk management program respond in the event of a loss?"

Scott Lemmerman CIC, CRM NBT Insurance Agency
Scott.Lemmerman@NBTInsurance.com

prior example, now picture this instead of a total loss there was a terrible storm. The roof was severely damaged to the tune of \$1,000,000. The claim is paid but, to your surprise, you only receive \$300,000. You call

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HV Mfg comes out twice a year and has a distribution of 4,000 copies sent throughout the valley to manufacturers, their associates, educators and legislators. The Fall issue contains a list of Manufacturing Resources here in the Hudson Valley. The Spring edition includes our Membership Directory, with lists of our members and associate members along with brief description of their products and services.

Advertising in this publication is a great way to put your products and company's name out in front of the decision makers of Hudson Valley industry. Placing an ad in HV Mfg. is a fantastic opportunity to reach a specific manufacturing market for your product or service while demonstrating your support of Hudson Valley manufacturing. The magazine prints in full color. We offer full page, 1/2 page or 1/4 page ad placement opportunities to fit your budget. The digital edition is also available on the CI website and will enable click throughs to all advertiser web sites. Hurry, ad space is limited. Reserve your space by August 18th.

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2014 Golf Outing

continued from front page

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Follow this link to register online: <http://www.councilofindustry.org/event-seminar/the-council-of-industry-golf-outing/>

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

Consumer Price Index for May 2014

| | | | | <u>Point</u> | <u>%</u> | <u>% Increase</u> |
|---|----------------|----------------|----------------|-----------------|--------------|-------------------|
| Wage Earners & Clerical | May.'13 | May.'14 | Apr.'14 | Increase | Month | Year |
| 1967=100 | 683.31 | 697.66 | 695.36 | 2.30 | 0.3 | 2.1 |
| 1982-84= 100 | 229.40 | 234.22 | 233.44 | 0.77 | 0.3 | 2.1 |
| All Urban Consumers | | | | | | |
| 1967=100 | 697.80 | 712.64 | 710.16 | 2.48 | 0.3 | 2.1 |
| 1982-84=100 | 232.95 | 237.90 | 237.07 | 0.83 | 0.3 | 2.1 |
| Hudson Valley unemployment rate for April 2014 = 5.3% | | | | | | |

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The Council of Industry's monthly newsletter has a mailing circulation of 250 manufacturers and an online circulation of hundreds more.

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abutler@councilofindustry.org
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**Continued from front page
Manufacturing Summit**

He also praised manufacturers for their leadership on closing the skills gap and underscored how immigration reform is an integral part of building the highly skilled workforce that manufacturers depend on to succeed.

“It was encouraging to hear the Vice President acknowledge our efforts to close the skills gap,” MANY’s Karyn Burns said. “This is a huge issue for manufacturers in New York and the Alliance has begun to make strides to address it.”

Summit speaker and former NAM member Sen. Chris Coons (D-DE) acknowledged the frustration that many manufacturers have with Washington. “A place that has endless manufactured political crises doesn’t give you a pathway to growth,” he told Summit attendees on June 11. Sen. Coons advocated a bipartisan approach to manufacturing priorities and pointed to existing support for the research and development (R&D) tax incentive, a skilled workforce, the protection of trade secrets and more. Sen. Coons said that one of the bright spots in our economy has been the manufacturing comeback. “We can regain not just our leadership but our dominance in manufacturing,” he added.

Later that day, Senate Republican Leader Mitch McConnell (KY) similarly demonstrated a commitment to the policies that ensure manufacturers’ competitiveness. “There are big things that need to be done for our country,” he said, pointing to the need to enact comprehensive tax reform and fix the nearly insolvent Highway Trust Fund. He also underscored the powerful job creation potential of the Keystone XL pipeline.

During the Summit, a real-time conversation about manufacturing priorities unfolded over social media. On Twitter, members of the NAM, members of Congress, Vice President Biden and more participated under #WeAreMFG and #MFGsummit. The NAM used Facebook to educate members about the facts on the Export-Import (Ex-Im) Bank of the United States, the Environmental Protection Agency’s (EPA) burdensome new greenhouse gas proposal and other top manufacturing issues. Manufacturing Works: Advocacy on the Move, the NAM’s online advocacy program, served as a one-stop shop to engage with lawmakers. The reach of these platforms, in addition to widespread media coverage of our manufacturing army, ensured that our message will echo in Washington and beyond long after the Summit ends.

Manufacturing contributed more than \$2 trillion to the economy last year and has the highest multiplier effect of any sector, adding \$1.32 to the economy for every dollar invested. “But with all

the good news surrounding our sector, we can’t let optimism blind us to very real competitive disadvantages manufacturers continue to face in the United States, and we can’t let it blind us to the risk that the wrong policy choices could bring the manufacturing comeback to a halt,” Timmons said.

“Your efforts this week and throughout the year are making an impact,” Timmons told manufacturers. “It may not happen immediately, but Washington is going to start working again. When it does, our advocacy today can ensure that manufacturers have a head start in advancing our agenda.”

“This is my fourth straight summit” Council of Industry Executive Vice President, and NAM Board Member Harold King said. “Each year I am struck by how much our elected officials

respect manufacturers, even if they cannot agree on how best to help them. Being here in person and sharing our priorities directly, face to face, really has an impact because most really do want us to succeed. When we let them know how they can help, most make a sincere effort do so and this is especially true with our own Mid-Hudson Congressmen Chris Gibson and Sean Patrick Maloney.”

Even if you were unable to join us at the Summit, you can still help ensure our messages on issues that affect innovation and investment, competitiveness and community are heard loud and clear. Simply go to the

NAM website and under Get Involved click “Take Action” to send a message urging your members of Congress to support key manufacturing issues of the day.

Please mark your calendar for next year’s Summit, scheduled for June 2–3, 2015. We would love to see the Hudson Valley represented by our members at this event.



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**Continued from page 11
Manufacturing
Matters**

Ulster and Dutchess Community Colleges have begun to implement focused certification and degree programs, and the other Hudson Valley Community Colleges are providing specific complimentary courses as well as screening.

Modern Manufacturing
Modern manufacturing environments are commonly thought of as dark, dangerous factories designed for low-skilled workers. Manufacturing Day addresses this misperception by giving manufacturers an opportunity to open their doors and show, in a coordinated effort, what manufacturing really is today:

Manufacturing is technologically advanced, with ample use of automation, 3-D printing, robots, and screen technology.

The annual average salary of manufacturing workers is more than \$77,000.

Manufacturers have the highest job tenure in the private sector.

90 percent of manufacturing workers have medical benefits.

Manufacturing Day events are meant for anyone who is curious about modern manufacturing and who would like to know more about what happens in modern-day manufacturing facilities. Audiences include students, parents, educators, media, civic leaders, and local communities in general. The Council of Industry has connections with many of the local school districts and can help if you would like to set up a tour specifically geared towards students.

The Council of Industry provides more information on careers in

manufacturing on our webpage: <http://www.councilofindustry.org/a-career-in-manufacturing/> Job opportunities in manufacturing are listed here. The slide show provides a sample of the careers offered in the manufacturing along with the salary range for these positions in the Hudson Valley. There is also more information on manufacturing education and skills programs available in the Hudson Valley.

Manufacturing Day events don't have to take place only on October 3, if that date is inconvenient due to work schedules or other established civic celebrations, you have the leeway to choose your own event date in late September, October, or early November. The most common type of event will be a facility tour, which will give visitors an overview of the company in question and its day-to-day operations. Contact the Council of Industry if you would like to set up a facility tour. There is a lot of flexibility but the most important part is encouraging the public to see what modern manufacturing is really all about. The Manufacturing Day website provides updates on the movement, shares information about manufacturing, and registers events on its website and social media channels. The Council of Industry can do that for you on a more local level as well.

MFG DAY Website:
www.mfgday.com

Facebook: www.facebook.com/MfgDay

Council of Industry Website:
www.councilofindustry.org

Council of Industry Careers in Manufacturing page:
www.councilofindustry.org/a-career-in-manufacturing

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Council of Industry

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