



Council of Industry Newsletter

April 2013
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Working Together for Workforce Training

At the Council's 2012 Annual Luncheon in November, SUNY Chancellor Nancy Zimpher called upon the Council of Industry's members and the local colleges to work together to prepare New York State's young people for the workforce. In March the Council of Industry's Board of Directors sat down with the presidents of four Hudson Valley Region Community Colleges to develop a partnership between education and manufacturing to build a workforce that meets the needs of Hudson Valley manufacturers.

Participating in the meeting were Dr. Karin Hilgersom, President of SUNY Sullivan, Dr. Donald Katt, President of SUNY Ulster; Dr. William Richards, President of SUNY Orange and Dr. Clifford Wood, President of SUNY Rockland, the Board of Directors and staff of the Council of Industry.

Shortages in skilled workers are taking their toll on manufacturers' ability to expand operations, drive innovation, and improve productivity. A recent national survey of 1,600 manufacturing companies showed that nearly half the respondents have openings for line workers, skilled trade workers, and engineers, but many have trouble filling the position. Instead of lamenting the problem, manufacturers are helping educators establish training programs for prospective employees. Hudson Valley manufacturers are no exception. A survey of Council members conducted in March also showed a need for qualified workers.

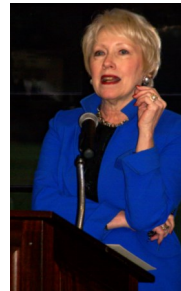
Each college president is well aware of this situation. Further, each is keenly aware of the important role manufacturing plays in our local economy, and that jobs in manufacturing pay well and provide good benefits.

One of the main topics of discussion was the Trade Adjustment Act Community College Consortium (TAACCC) Grant. This statewide grant will enable the colleges to develop curriculum for manufacturing careers and will use the Council of Industry to make the connections between the colleges and manufacturers.

The Council will also help the colleges shape their manufacturing curriculum. Looking at national trends and the preliminary results of the Council of Industry's Skills Needs Assessment Survey we can identify the follow-

ing areas, which are key to increasing employability in manufacturing, to be incorporated:

- Basic Employment Skills
- Basic Math
- Basic Reading and Writing
- Ability to Work in a Team



SUNY Chancellor Zimpher.

Additionally the colleges programs will implement the National Association of Manufacturers (NAM) stackable national certifications. This means that if someone completed the basic course in welding or machining that they will receive certification that is recognized anywhere in the country and they can continue their training at higher levels "stacking" their certifications. The programs offered at the colleges would also have Competency Based Assessments which would encourage progress as they are achieved.

While the TAA grant is designed for displaced workers, there is also hope that, once in place these programs will attract students out of high school that may have an aptitude for manufacturing or aren't sure yet what career they want to do. Increasing awareness of the quality of jobs, the opportunity for advancement, and the compensation and benefit packages that go with a career in manufacturing, is an important first step in attracting this audience.

Both manufacturers and the college presidents agreed that workplace experiences such as internships are important in this process because it gives both the student a feel for the industry and the work and allows companies an opportunity to train and test a potential future employee. The Council of Industry is working to implement a program where students can be connected with internship positions, both paid and unpaid, which are available with our members.

The Council of Industry will continue to keep you update through our newsletter of advances and opportunities that arise for our members. We also will be asking for your involvement to help develop a pipeline for manufacturing workers in the Hudson Valley region.

Inside this Issue

2	Training & Education
3	Networks & Council News
4	Personnel Matters
5	More Personnel Matters
6	Legislative Matters
7	More Legislative Matters
8	EHS Matters
9	CI Calendar
10	Energy Matters
11	Manufacturing Matters
12	Financial Matters
13	Member Benefits
13	Consumer Price Index
14	More Personnel Matters

Training and Education

During this interactive Yellow Belt training, each group of participants will identify opportunities within their respective work areas and ways to improve those areas utilizing taught problem solving tools.

Sign Up Now for Lean Six Sigma Yellowbelt Training

Dates: June 25, 26, 27, 2013

Time: 9:00 am - 4:30 pm

Location: Business Resource Center, Kingston, NY

Cost: \$380 per person*

Instructors: Vinnie Buonomo and Dr. Don Baker from RIT

**Groups with a minimum of 3 people from a company are required for this training.*

This is an approach to process improvement that merges the complementary concepts and tools from both Six Sigma and Lean approaches. The resulting approach will have greater impact than one that centers on only Six Sigma or Lean. Participants will learn a short history of each approach and how they can complement each other. They will be introduced to the Define, Measure, Analyze, Improve, Control improvement process and some of the tools associated with each stage.

The following topics will be focused during the training:

- Resistance to Change
- 5-S Visual Controls
- Team Building
- Problem Solving Process
- Statistical Thinking.

During this interactive Yellow Belt training, each group of participants will identify opportunities within their respective work areas and ways to improve those areas utilizing taught problem solving tools. The teams will present their identified work area opportunity and suggested solutions.



To register online go to http://www.councilofindustry.org/training/category_courses.html#Leansixsigmayellow or email training@councilofindustry.org or call (845) 565-1355.

Leadership Network Meeting Rescheduled to April 19th

There is still time to register!

When: Friday, April 19 from 8:30 -10 am

Where: Viking Industries, S. Ohioville Rd, New Paltz NY

Cost: None for members—Open to graduates of the Certificate in Manufacturing Leadership Program

How to register: email abutler@councilofindustry.org or call (845) 565-1355.

The Leadership Network is for graduates of the Certificate in Manufacturing Leadership Program to continue the connections that were made during their time in the class room and to continue the learning that began there as well. This meetings topic is Influence and the meeting will include a tour of Viking Industries in New Paltz, NY.

Influence is one of the many tools leaders have available to assist them in their job. Determining when and how to use your influence properly can be difficult to judge. This meeting will feature a discussion on the use of influence by Viking Industries General Manager, Richard G. Croce and Plant Manager, Michael Cozzolino, followed by a tour of Viking Industries. All past Certificate in Manufacturing Leadership participants are encouraged to attend. **To register contact Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.**





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Council News

Environment, Health & Safety Sub-council Meeting: DEC Proposed Audit Policy

Topic: New York State's Proposed Audit Policy

When: Friday, April 26, 8:30- 10:00 am

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

Cost: None for members

The New York State Department of Environmental Conservation released a proposed Environmental Incentive Policy, which is aimed at improving practices at businesses, local governments and other regulated entities to better protect the environment and prevent pollution. **Scott Nostrand, P.E., Barton & Loguidice**, will be discussing the Proposed Audit Policy, including benefits to you and how to get your environmental compliance house in order.



The presentation will include:

- Description of the proposed rule
- Description of the Audit Process
- Benefits
- How to prepare at your facility

Mr. Nostrand is a licensed Professional Engineer in New York. He has 25 years of experience managing environmental engineering projects, and oversees all of Barton & Loguidice's environmental activities including environmental permitting and compliance, stormwater, site remediation, fuel systems design, industrial environmental compliance and auditing, air permitting and modeling, asbestos abatement, industrial wastewater pre-treatment systems, and biosolids management. B&L's environmental group has conducted numerous environmental audits for clients under EPA's self-disclosure audit policy. Mr. Nostrand has a B.S. in Agricultural Engineering and an M.S. in Animal Science from Cornell University.

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

Welcome New Member:

Teledyne—LeCroy- A leading provider of oscilloscopes, protocol analyzers and related test and measurement solutions. County: Rockland County. Contact: Andrew Schmidt.

Paying Your NY Employees – It Is More Than Just Writing a Check

Topic: New York State's Wage & Hour Requirements – Update and Review

When: Wednesday, May 15, 8:30- 10:00 am

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

Cost: None for members

Employers can get tied up in the morass that is New York's wage and hour laws. This presentation by **Devora Lindeman, Esq. Partner, Greenwald Doherty, LLP** will look the following questions:

- Which employees need to be paid weekly?
- What can you deduct from an employee's pay checks?
- Do employees have to get two paid breaks per day, morning and afternoon?
- Who, really, is an independent contractor?
- No one paid on a salary is entitled to overtime pay, right?



Get practical information on New York's wage and hour requirements from an experienced employment lawyer.

Devora L. Lindeman is a Partner with Greenwald Doherty LLP, a labor and employment law firm exclusively representing management in relationships with employees and unions, with offices in New York, New Jersey, and Connecticut. She provides management training to employers and employer associations on these and other topic. Lindeman received her undergraduate degree from Sarah Lawrence College and graduated from Rutgers School of Law—Newark with Highest Honors. During law school, she served as the Notes & Comments Editor for the Rutgers Law Review. On graduation, she was inducted into both the Order of the Coif and the Order of the Barrister. She then clerked for the Honorable Stanley R. Chesler, U.S.M.J., in the District of New Jersey. Lindeman has practiced management-side labor and employment law ever since. She is admitted to practice in New York and New Jersey.

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

See Devora's article on page 5.

Personnel Matters

Whether you support a comprehensive safety program or use an informal approach, methodically identifying deficiencies to improve problem areas can help you reduce your exposure to loss.

Worker's Compensation – Tips to Keep Your Mod Rate Down

By Scott Lemmerman CIC, Sentry Insurance, a Council of Industry Associate Member

Businesses fight to keep their Mod Rate and premium down. Your Mod Rate or experience rating assesses whether your company's claims are greater than or less than the average with companies similar to yours. If your claims are less than average your Mod is lower and if your claims are more than average your Mod is higher. Some insurance companies reward superior risks with dividend programs. If the insured has a low claims ratio for the policy period they receive a dividend check.



The claim itself needs to be monitored as well. The faster a claim is reported the better the chance you have of keeping its costs down. Cost per claim and frequency of claims are two key factors that control your Mod Rate. Reporting claims quickly is crucial. A simple cut could be properly bandaged for less than \$5 can become a \$50,000 claim if it leads to an infection. Studies repeatedly show that the longer it takes to report a claim the more expensive it becomes.

The safer the workplace the less likely claims are to occur. Business owners face daily operational expenses that require a variety of controls to keep them in line. Workplace accidents that result in injury or property damage can quickly impact your profit margin and Mod Rate. Whether you support a comprehensive safety program or use an informal approach, methodically identifying deficiencies to improve problem areas can help you reduce your exposure to loss. Performing a safety audit has several benefits:

- Provides a clear picture of program's strengths and weaknesses;
- Enables management to compare program intent versus what is actually being done;
- Sets up an effective safety program which assigns accountability to all operating personnel;
- Allows management to implement adjustment where needed;
- Provides a benchmark on which to measure future progress.

Establishing workers' compensation claims management strategies help employers comply with the law while looking out for employee welfare. These are some strategies to follow to maintain an effective policy:

- Adopt a policy to have all injuries reported to the supervisor or management immediately.
- Make a thorough investigation of each workers' compensation injury.
- Maintain an ongoing communication with the employees to monitor recovery progress and assist in early return to work.
- Put employees on alternative duty status when necessary.

Communication is extremely important. That's why a supervisor's response and management's reaction are critical, especially if the injury involves lost work time.

Unfortunately, dishonest claims are sometimes the case. For instance, "Monday morning accidents," these accidents did not take place on Monday but rather the weekend preceding. Communication again is the key to help prevent such claims. Camera systems can help discourage this activity as well. Employee benefits programs can help too. If the employee does not have health insurance workers compensation is seen as a way to pay for this and for more serious accidents employees may see it as a form of Long Term Disability Insurance.

Hiring practices are extremely important. Listing specific job duties that the position entails and drug testing are relatively inexpensive options. New employment physical is more expensive but a great way to help determine if an employee is capable of performing the job safely. Consult an employment attorney and make sure that your employment practices are legal. And as always document, document, document.

	<p>Greg Chartier, Ph.D., SPHR</p>
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A better workplace is beneficial to all. Insurance companies with loss control experts that specialize in your industry can be extremely helpful when implementing and measuring the level of success with these safety audits.



More Personnel Matters

Under Federal Law, Are You Required to Pay Your Employees for Their Breaks or Not?

By Devora Lindeman, Greenwald Doherty LLP, a Council of Industry Associate Member

An area of confusion for many employers, and thus an area in which wage and hour laws are often violated, involves breaks and meal periods. Specifically, are employers required to pay their employees for break and/or meal time, and if so, when? This area of confusion has resulted in Auto Cricket Corp., doing business as AutoCricket.com, paying 414 employees a total of \$76,589 in back wages following an investigation by the U.S. Department of Labor's Wage and Hour Division.



Under the Fair Labor Standards Act (FLSA), employers are not required to give employees meal or rest breaks. Nonetheless, employers often offer such breaks in order to maintain employee productivity and morale. Accordingly, when employers do offer short breaks (usually lasting about 5 to 20 minutes), federal law considers the breaks as compensable work hours for which non-exempt employees must be compensated and which are counted towards calculating overtime hours worked. Bona fide meal periods (typically lasting at least 30 minutes), serve a different purpose than coffee, snack or short personal breaks and, thus, are not work time and are not compensable or counted towards overtime for non-exempt employees.

However, to be deemed a bona fide meal break that does not count as working time, the employee must be completely relieved from duty for the purpose of eating regular meals. The employee is not relieved if he/she is required to perform any duties, whether active or inactive, while eating. That means no greeting customers, no answering the office phone or work emails, and no running errands for work.

AutoCricket.com apparently did not follow these regulations. Instead, investigators found that the employer deducted short rest periods as non-work hours from the employee totals of hours worked. Failure to pay for that break time resulted in the workers being paid less than the required minimum wage for all their hours worked.

Since the federal regulations are unclear as to counting breaks lasting 21-29 minutes, it is best to set company policy so that breaks shorter than 20 minutes are paid, and any longer breaks are not. Keep in mind that states and localities may also have break laws and regulations that could apply to your business.

Bottom line, however, is there is no federal law requiring two 15-breaks per day. Companies can certainly provide this, but absent a provision in a collective bargaining agreement or applicable law, doing so is through the company's own generosity

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Legislative Matters

Manufacturing Lobby Days in Albany

By Karyn Burns, Executive Director of the Manufacturers Alliance of New York

What started six years ago as 30 members and a one day conference has massed into a two day conference with legislative panels, leadership guest speakers, a legislative reception and over 50 lobby visits to legislators from all over the State, talking about issues most important to manufacturers.

On March 4th and 5th, over 85 statewide executives convened in Albany to participate in the Manufacturers Alliance 6th Annual Manufacturing Lobby Days. What started six years ago as 30 members and a one day conference has massed into a two day conference with legislative panels, leadership guest speakers, a legislative reception and over 50 lobby visits to legislators from all over the State, talking about issues most important to manufacturers.



Executive Director of the Manufacturers Alliance of New York, Karyn Burns, delivers the policy briefing at Manufacturing Days in Albany.

The day's various events and speakers took place at the Fort Orange. The morning consisted of an introduction from Manufacturer's Alliance President Randy Wolken, a 2013 public policy briefing, and an opening address from Senate Majority Leader Dean Skelos (R-9th District). The afternoon consisted of a legislative panel to discuss various manufacturing issues and legislation led by Assemblyman Robert Oaks (R-130th District), Assemblyman Dennis Gabryszak (D-143rd District), Assemblyman Phil Palmesano (R-132nd District), Senator Cecelia Tkaczyk (D-46th District), and Senator Tom O'Mara (R-53rd District). Later in the session, Assembly Minority Leader Brian Kolb (R-129th District) addressed the attendees and held an engaging q and a session with the group. Leecia Eve, Deputy Secretary of Economic Development for Governor Cuomo also spoke to the executives, outlining Governor Cuomo's discussing the Administration's economic development policies. The day also included a Business Coalition Panel, during which various representatives from statewide business organizations discussed issues and explained ways the different sectors could work together to change Albany, and included The Manufacturers Alliance of New York BuState, the National Federation of Independent Business, the Chamber Alliance of New York State, the siness Council of New York State, Unshackle Upstate and the Lawsuit Reform Alliance of New York State. The first day wrapped up with the Manufacturing Day Legislative Reception. Day two consisted of regional lobby visits, where the manufacturing executives met with over 50 legislators from across the State to discuss the statewide manufacturing agenda.

Much of the day's event and dialogue surrounding it was focused on one key factor: reducing the cost of doing business in New York State. There is a lot of talk and action going on the past few years surrounding economic development dollars. The Regional Economic Development Councils have been working hard on making proposals for investment dollars for their specific regions, and with much success in doing so.

Continued on next page



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More Legislative Matters



MACNY was honored with a Senate resolution recognizing MACNY's 100 years of serving manufacturers, sponsored by Senator David Valesky.

However, investing in these areas and projects is only part of what is needed, as I talked about in my last article. What we focused on at Manufacturing Day was the critical component of reducing the costs of doing business. Lowering property taxes. Eliminating the corporate franchise tax. Allowing the 18a utility charge to sunset just as it was promised to do,

rather than extending it five years. Repealing the annual notice requirement on wage theft prevention, a largely time consuming, unnecessary and money waster on the hard working businesses that are in state today. These are all initiatives that would help not only bring businesses to the state, but JUST as important, if not more, help the businesses who are here today, working hard, and trying to help New York State get back on track.

I am often asked if what I think our travels to Albany and if educating the legislators on makes any sort of difference, and I cannot stress enough that YES, it does. Recharge New York is a great example. It took six years, but today, because of gentle pressure relentlessly applied, we not have a statewide economic development power program that is power by hydropower. Another example is the Thruway toll increases. Back in June when it was proposed, it was the impression of many that this was a done deal. After a huge coalition effort and push back from statewide partners, including all of our groups, they ultimately rejected the increase proposal. All of these efforts would not be in our favor if we didn't have days like Manufacturing Lobby Days, or campaigns where we took a stand, or manufacturers like you who work hard and help us get the message out there that legislation like this impacts the success of your business.



Council of Industry Executive Vice President Harold King leading the legislative panel discussion at Manufacturing Days in Albany.

I encourage you all to check out the new and revised Manufacturers Alliance website. On this website includes all up to date information on issues affecting manufacturers, and ways you can get involved and let our message be heard, just like we did in Albany at Manufacturing Lobby Days. And of course, I want to hear from YOU! What are the issues that are impacting the continued success of you and your business? You are the eyes and ears for our Alliance advocacy campaigns, please tell us what you want us to work on, and we will go do just that.

What we focused on at Manufacturing Day was the critical component of reducing the costs of doing business. Lowering property taxes. Eliminating the corporate franchise tax. Allowing the 18a utility charge to sunset just as it was promised to do, rather than extending it five years. Repealing the annual notice requirement on wage theft prevention.



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EHS Matters

OSHA Reminds Employers to Post Injury and Illness Summaries

From www.osha.gov



It is time to post OSHA Form 300A, which lists a summary of the total number of job-related injuries and illnesses that occurred during 2012. The form must be posted between Feb. 1 and April 30, 2013.

The Occupational Safety and Health Administration is reminding employers to post OSHA Form 300A, which lists a summary of the total number of job-related injuries and illnesses that occurred during 2012. The form must be posted between Feb. 1 and April 30, 2013.

The summary must include the total number of job-related injuries and illnesses that occurred in 2012 and were logged on OSHA Form 300, Log of Work-Related Injuries and Illnesses. To assist in calculating incidence rates, information about the annual average number of employees and total hours worked during the calendar year is also required. If a company recorded no injuries or illnesses in 2012, the employer must enter "zero" on the total line. The form must be signed and certified by a company executive. Form 300A should be displayed in a common area where notices to employees are usually posted.

What is recordable under OSHA's Recordkeeping Regulation?

- Covered employers must record all work-related fatalities.
- Covered employers must record all work-related injuries and illnesses that result in days away from work, restricted work or transfer to another job, loss of consciousness or medical treatment beyond first aid (see OSHA's definition of first aid below).
- In addition, employers must record significant work-related injuries or illnesses diagnosed by a physician or other licensed health care professional, even if it does not result in

cut, fracture, sprain, or amputation.

- Illnesses include both acute and chronic illnesses, such as, but not limited to, a skin disease (i.e. contact dermatitis), respiratory disorder (i.e. occupational asthma, pneumoconiosis), or poisoning (i.e. lead poisoning, solvent intoxication).
- OSHA's definition of work-related injuries, illnesses and fatalities are those in which an event or exposure in the work environment either caused or contributed to the condition. In addition, if an event or exposure in the work environment significantly aggravated a pre-existing injury or illness, this is also considered work-related.

Employers with 10 or fewer employees and employers in certain industries are normally exempt from federal OSHA injury and illness recordkeeping and posting requirements. A complete list of exempt industries in the retail, services, finance, insurance and real estate sectors can be found at <http://s.dol.gov/YP>.

The Bureau of Labor Statistics may still select exempted employers to participate in an annual statistical survey. All employers covered by OSHA need to comply with safety and health standards. All accidents that result in one or more fatalities or in the hospitalization of three or more employees must be reported verbally within eight hours to the nearest OSHA office.

Copies of OSHA Forms 300 and 300A are available at <http://s.dol.gov/YQ> in either Adobe PDF or Microsoft Excel Spreadsheet format. For more information on recordkeeping requirements, visit the OSHA Injury and Illness Recordkeeping and Reporting Requirements Web page.

Under the Occupational Safety and Health Act of 1970, employers are responsible for providing safe and healthful workplaces for their employees. OSHA's role is to ensure these conditions for America's working men and women by setting and enforcing standards, and providing training, education and assistance. For more information, visit www.osha.gov.

death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

- Injuries include cases such as, but not limited to, a

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.



CI Calendar of Training and Events

Apr 3	<u>Certificate in Manufacturing Leadership: High Performance Teamwork</u> — 9:00 am— 4:30pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY.
Apr 17	<u>Certificate in Manufacturing Leadership: Effective Business Communication</u> — 9:00 am— 4:30pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY.
Apr 19	<u>Leadership Network Meeting: The Use of Influence</u> — 8:30—10 am at Viking Industries, New Paltz, NY
Apr 26	<u>Environment, Health & Safety Sub-council—DEC Audits</u> — 8:30—10 am at the Council of Industry Office, The Desmond Campus of MSMC, Newburgh, NY
May 1	<u>Certificate in Manufacturing Leadership: Train the Trainer</u> — 9:00 am— 4:30pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY.
May 8	<u>Certificate in Manufacturing Leadership: Making a Profit in Manufacturing</u> — 9:00 am— 4:30pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY.
May 19	<u>Human Resources Sub-council meeting—Wage & Hour Update</u> — 8:30– 10 am at TBA.
May 22	<u>Certificate in Manufacturing Leadership: Environment, Health, & Safety Risk Management</u> — 9:00 am— 4:30pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY.
June 25, 26, 27	<u>Lean Six Sigma Yellowbelt Training</u> — 9:00 am—4:30 pm at the Business Resource Center in Kingston, NY. \$380 per person, companies must have groups of at least 3 people attending.

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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Energy Matters

Large-Scale Solar Incentives Available for the First Time to the Hudson Valley and Capital Region

By Brian Nowitzki, Hudson Solar, Council of Industry Member

Generous state incentives, sizeable tax credits, and accelerated depreciation have been available for several years, but the new economies of scale afforded by this program change the dynamic for how larger NY companies are looking at solar electric.

Newly implemented state programs make now the best time for large commercial enterprises to go solar—but time is running short. The deadline to take advantage of this opportunity is approaching fast. August 29th may be the last time companies can get unprecedented funding for solar projects that drastically reduce their costs and carbon footprint.



For companies with substantial overhead costs linked to high utility bills, this new, large-scale solar opportunity could be the answer. For example look at Garelick Farms, a local dairy production company. In 2009 the company installed its 80kW system, locking in electricity rates at 2 cents a kilowatt-hour for

This program has \$106.9 million in funds available for 2013 solar installations. Each applicant is allowed to request up to \$3 million for a single project. The rules are simple. The system can produce up to 110% of the annual electrical usage and must be a minimum of 50kW.

A fundamental shift is underway on how local companies are billed for power. Although overall electric rates are down regionally due to a glut of available natural gas, many companies, especially large industrial ones, are moving toward mandated time-of-use metering and billing of their electric use. This shift means that such companies are paying very high rates at high demand times – particularly in the middle of the summer and in the middle of the day. These day-time peak rates can be 2 or even 3 times the average electric rate. One solution to this problem could be a large-scale solar electric system as these systems produce their peak power when the days are longest and the sun is strongest, precisely when power is most expensive under time

of-use metering. Solar power offsets the highest rates first, saving the company money by replacing the most expensive electricity it would normally buy from energy suppliers.

the next 25 years. Kiss My Face, a Gardiner-based natural bath products company, installed a 50kW system to cover 61% of their electricity bills. Selux, a Council of Industry member based in Highland, recently expanded their solar electric system to 50kW. The expansion boosts their bottom line by powering their lights, computer screens, printers, fax machines and coffee makers for the entire year.

Selux CEO Peter Stanway puts it best...

“Installing the 50kW PV electric system offsets over half the energy required to operate our office area. It was a pure economic decision, with the tax rebates and incentives, our upfront costs were greatly reduced. Our expected payback from time of installation is around 5 years. In addition to being a smart business decision, the system installed complements our other green initiatives such as day lighting, using biodegradable liquids, porous pavement, energy efficient lighting and recycling water, scrap metal and paper.”

Generous state incentives, sizeable tax credits, and accelerated depreciation have been available for several years, but the new economies of scale afforded by this program change the dynamic for how larger NY companies are looking at solar electric. In the Hudson Valley many businesses are shifting to produce their own electricity - saving money and taking steps toward energy-independence. The rush is on as these state incentives may only be here for a limited time.

Brian Nowitzki is Project Manager for Hudson Solar a New York-based, family-owned solar provider. With offices in Rhinebeck and Albany, and over 1,000 installed systems in the region. Visit www.hudsonsolar.com for more information.

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Manufacturing Matters

Innovation Strategies - Big Companies Acting Like Startups

By Soren Kaplan, founder of the Leapfrogging Alliance

There is a quiet revolution happening in corporate America. Big companies are applying startup strategies and tools to jump-start innovation. It's not about pontificating on the innovation process. It's about being lean, focused, and strategic.

Some examples:

- Intuit organizes multi-day "lean start-ins" that gather "intrapreneurs" together from across the company to teach them how to apply rapid experimentation to create new products, services, and business models.
- Kimberly-Clark promotes one-day "expert acceleration sessions" that bring hand-picked outside "thought leaders" face to face with business teams to bust mental models and create game-changing strategies.
- Whirlpool uses a network of innovation mentors (also called i-mentors), who are loaded with innovation tools and guidance to help business teams focused on challenging market "orthodoxies."

Big companies that behave like small startups focus on two things. First, they accelerate the speed of innovation, just like a Silicon Valley incubator. Second, they give internal businesses and teams an outside-in perspective, similar to the type of reality-checking that comes from advisory boards or venture capitalists.

Here are four strategies that anyone can use to start-up, start in, or jump-start their innovation:

1. FOLLOW CUSTOMERS HOME

Intuit's innovation success is tied to a value for finding and savoring customer surprises--unexpected insights about customer needs, problems, and desired experiences that can't be anticipated or pre-defined. That's why the company does customer "follow-me-homes," where everyone from CEO Brad Smith to engineers and marketers immerse themselves in the customer's natural environment to see how things are working (or not) in the real world.

2. TAP OUTSIDE COLLABORATORS

Kimberly-Clark knows that insular thinking is the death knell of teams and organizations. That's why they work with their businesses to define specific problems and opportunities that need a jolt of external insight. They then recruit a small group of "thought leaders" from other companies, universi-

ties, startups, or think-tanks to join a collaborative innovation session for a day to lend their expertise. These deep dives deliver strategic and practical insight that would otherwise take months to gather through traditional research.

3. STAY SMALL

Big innovations don't necessarily have to begin by taking big risks or making bet-the-farm investments. Intuit, for example, provides guidance to its "intrepreneurial" teams that they should use the "lean startup" model. It's not about waiting around for senior leadership to sponsor and fund the next big idea but rather rapidly testing ideas to identify the things teams can do to have the biggest impact.

4. USE THE BEST, INVENT THE REST

Speed and agility come from realizing we don't have to invent everything ourselves--either the approach or the innovation itself. When going after breakthroughs, it's essential to dismiss the "not invented here" stigma, as Apple learned the hard way with its foray into mobile maps. There's no shortage of tools and templates out there. The strategy is to use the best--like the one-page Business Model Generation tool (from the book with the same name)--and then adapt it or combine it with other approaches that work within the specific company context. Same goes for the innovation itself. The most innovative companies don't always wait to build a new technology themselves--they look outside, find what exists, and then go from there.

These big-company strategies are focused on pushing entrepreneurial thinking and practices into the places they're needed the most--inside established businesses. Their explicit objective isn't about reaching that elusive holy grail of creating a "culture of innovation". Their strategies combine strategic thinking with the practical tools required for driving forward new products, services, and strategies, all focused first and foremost on leapfrogging to the next big thing.



The most innovative companies don't always wait to build a new technology themselves--they look outside, find what exists, and then go from there.



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Financial Matters

Should Your Company Offer a Retirement Plan?

By Jim Santangelo, Certified Financial Planner

As a general rule employers should offer some type of retirement plan ("Plan").

The reasons for offering a Plan may include the following:

- Your competition is probably providing a similar benefit to their employees.
- The employees, including the owners of a company, have the opportunity to save money on a tax deferred basis.

Yes, the administration of a Plan will include both hard and soft expenses. The hard expenses typically include the fees charged by a CPA or actuary and recordkeeper/custodian. The soft expenses typically include the human resource time necessary to process the items required to keep the Plan in compliance. For your information and in case you have not noticed, the employer's cost to keep the Plan compliant may have increased 10-15% over the last year or so. We can thank our elected official in Washington D.C. for this increase in expenses.

The two most popular Plans are a defined contribution and defined benefit. The most popular one for businesses is the defined contribution plan. These include profit sharing and 401(k). The advantage of a profit sharing and 401(k) is the financial flexibility provided to the employer because the sponsor (employer) is not under any obligation to contribute to the Plan. Granted, some Plans may include an employer match, but the sponsor has the right to rescind the match. In contrast, a defined benefit plan requires the sponsor to make contributions. This can be very expensive for the employer and the contribution is due whether the company is having a good year or bad year.

Forty years ago, most Plans were defined benefit. Due to the expense of funding a defined benefit plan, many employers terminated their plan and began offering defined contribution plans. This seismic shift in retirement plans may have contributed to the economic expansion of the 1980's and 1990's.

For the immediate future, I believe the real question is not whether to offer a Plan, but what type of defined contribution

plan should be offered. The most common is a 401(k)/profit sharing.

The next question to address is the specifics of the 401(k). The 401(k) document must determine if the employer will make any contributions. If the company elects to make mandatory contributions, the employer is financially obligated to "write the check." Of course the company can always update the plan document and eliminate any match.

Generally, there are two types of 401(k) matches. One is a traditional and the other is a safe harbor. In a traditional 401(k) match, the employer matches a specific percentage of the employee's payroll. In a safe harbor 401(k) plan, the employer is required to match a predetermined percentage as defined by the rules and regulations governing safe harbor 401(k)'s.

The main difference between the two types of match 401(k)'s is the discrimination testing. Generally, a traditional match 401(k) is subject to the rules regarding highly compensated employees. Consequently, it is possible that a participant may not be able to defer the maximum permitted under the IRS regulations. Conversely, a safe harbor 401(k) eliminates much of the testing regarding highly compensated employees and participants may choose to defer the maximum permitted under the IRS regulations without consequence.

Deciding which type of 401(k) to offer employees should be done on a "case-by-case" basis. When working with clients, I always prepare financial models specific to their needs, employee demographics and other variables to assist in determining which type of 401(k) is best suited to the client's business model.

In conclusion, I believe retirement plans should be offered by employers in order to remain competitive from a human resource perspective and to offer the owner(s) and employees an efficient method of saving money on a tax deferred basis.




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More Legislative Matters

Making Connections: Job Opportunities, For Hire and Internships

The Council of Industry wants to help you make connections and we have several pages on our website dedicated to



just that. If your company has a position that needs to be filled try posting it to our Job Opportunities page, 100-200 word ads run for thirty days for \$75.

There is also the For Hire page with brief descriptions of individuals looking for positions in manufacturing companies. All listings on the For Hire page are referred by a Council of Industry member and their resumes can be emailed to you.

Just in time for summer break, there is the Internship page with resumes available for local college students looking for summer internship. If your company has internship positions please contact Alison Butler at the Council of Industry, we would like to start a page with these as well.

To find out more go to the Council website: www.councilofindustry.org and scroll down the menu for Job Opportunities, For Hire, and Internships, or email abutler@councilofindustry.org.

Be on the Look Out for HV Mfg - The Magazine for Manufacturers

Later this month Council of Industry members and associate members should receive a copy of HV Mfg, the Council's new magazine for manufacturers and their community in the mail.

This will be a semiannual publication that will be sent to manufacturers and their associates throughout the Hudson Valley. In addition copies of the magazine will be distributed to local community colleges, high schools and middle schools in an effort to increase the public's awareness of the broad scope of manufacturing and raise public awareness of issues and policies that affect industry here in the valley.



The premier edition will feature a company profile of AERCO, a Council of Industry member that manufactures high efficiency boilers and water heaters. There is also a leadership profile on Scott Hutchins, Senior Unit Business Director for JABIL. In addition there will be articles on the TAA grant, The Manufacturers Alliance of New York, a legislative update, exporting in the Hudson Valley, bridging the skills gap, and much more.

The annual Member & Associate Member Directory will be included in this issue of HV Mfg. All of our members and associate members are listed here, with contact information for each company. Watch for your copy in the mail and let us know what you think.

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Consumer Price Index for February 2013

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Feb. '12</u>	<u>Feb. '13</u>	<u>Jan. '13</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	668.17	681.16	674.73	6.42	1.0	1.9
1982-84= 100	224.32	228.68	226.52	2.16	1.0	1.9
All Urban Consumers						
1967=100	681.98	695.47	689.82	5.65	0.8	2.0
1982-84=100	227.66	232.17	230.28	1.89	0.8	2.0

Hudson Valley unemployment rate for January 2013 = 8.3%

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Contact Alison Butler at abutler@councilofindustry.org or call **(845) 565-1355** for more information.



More Personnel Matters

Immigration Law: USCIS Issues Much Anticipated Revised Form I-9

From Bond, Schoeneck & King, LLP, a Council of Industry associate member

On March 8, 2013, the United States Citizenship and Immigration Services (the “USCIS”) released the long-awaited revisions to the Form I-9 (Rev. 03/08/13)N. In an August 2012 blog post, we informed employers that they could continue to use the then-current version of the form – despite its August 31, 2012 expiration date. With the revised Form I-9 now in circulation, the USCIS has strongly encouraged employers to immediately use the updated form, though the agency has provided a 60-day grace period (until May 7, 2013) during which employers may continue to use select versions of the Form I-9 – (Rev. 02/02/09) and (Rev. 08/07/09) – for verifying the employment eligibility of new hires. As of March 8, 2013, however, employers must use the revised Form I-9 (Rev. 03/08/13)N for conducting reverification(s) of existing employees. After May 7, 2013, employers will no longer be permitted to use any expired version of the Form I-9. Employers who fail to adhere to these phase out guidelines may be subject to applicable fines and penalties.



By way of background, the Immigration Reform and Control Act of 1986 (“IRCA”) requires employers to verify the identify and legal authorization of all individuals, including U.S. citizens, hired after November 6, 1986, by requiring the individuals to present facially valid documentation. In order to complete the I-9 verification process, the employer is required to verify the individual’s identity and to further confirm that the individual is authorized to accept employment in the United States. For record-keeping purposes, an employer must retain completed Form I-9s for the later of three (3) years after an individual’s date of hire or one (1) year after the employment relationship ends.

One of the USCIS’ primary goals for this revised Form I-9 is to “minimize errors in form completion.” Accordingly, there are several key revisions which aim to accomplish this objective. First and foremost, employers will notice that the new Form I-9 itself is no longer a one-page document, but now consists of two pages.

Second, the new Form I-9 instructions / List of Acceptable Documents has increased from five (5) pages to nine (9) pages (inclusive of the 2-page form). The expanded set of directions is designed to provide both employers and employees with additional guidance and examples in an effort to assist the parties to accurately complete the form; detailed guidance has been noticeably absent from prior versions of the Form I-9. For instance, the new Form I-9 instructions explain that an international address may not be used by the individual to complete the address field, unless the employee is a border commuter from Canada or Mexico. Furthermore, the new instructions offer the following as a helpful example to address timing/counting issues for completion of the Form I-9: “[I]f an employee begins employment on Mon-

day, the employer must complete Section 2 by Thursday of that week.”

In addition to improving the instructions, the USCIS has made a number of other key revisions to the new Form I-9. A summary of the main changes within each section of the form appears below.

Section 1: Employee Information and Attestation

A clear reminder has been inserted at the beginning of Section 1 to clarify and remind both employers and employees that this section of the Form I-9 must be completed by the employee no later than the first business day of employment.

“Maiden Name” data field has been renamed to “Other Names Used (if any).”

The Social Security Number data field has been reformatted to specifically require a nine-digit number; however, this data field continues to remain voluntary, unless the employer is enrolled in the E-Verify Program.

New data fields have been added which permit an individual to voluntarily provide email addresses and telephone numbers; since these data fields remain optional, however, employers are instructed to place “N/A” in the field if the employee does not provide information responsive to the question(s).

A new data field has been added to clarify that a foreign national authorized for employment may provide the A-Number/USCIS Number OR Form I-94 Admission Number.

New data fields have been included so that the foreign national may provide information regarding a foreign passport number and country of issuance in those instances where the foreign national provides an Admission Number (I-94), issued by the U.S. Customs and Border Protection, as part of the I-9 process.

Continued on page 15



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Continued from page 14

The USCIS has included a placeholder where a 3-D Barcode may eventually be added. At the present time, however, the 3-D Barcode has no functional purpose.

Finally, the USCIS has added a stop sign symbol at the end of Section 1 to deter and prevent employees from inadvertently completing Section 2.

Section 2: Employer or Authorized Representative Review and Verification

“Authorized representatives” (those individuals who do not necessarily work for the employer, but have been granted limited power to conduct employment eligibility verification on behalf of the employer in certain circumstances) are expressly recognized as having the ability to complete Section 2 (in addition to employer representatives).

Section 2 now specifically states that this section must be completed and signed within three (3) business days of the employee’s first day of employment.

Employers are now required to add the employee’s name (first / middle initial / last) in the new data field provided in Section 2.

The USCIS has clarified that an employer’s employment eligibility verification obligations are triggered the day the employee begins to work for pay (i.e., commencement of employment for wages or other remuneration). As such, this is reflected on the new Form I-9, which no longer asks for when an employee began employment, but rather the employee’s first day of employment.

Additional data fields – document number and expiration date – have been added for List A documents. These additional spaces will en-

able employers to record employment authorization expiration dates for exchange visitors and SEVIS numbers and program end dates for students. Prior versions of the Form I-9 did not provide sufficient space for employers to record all of the necessary information.

Section 3: Reverification and Rehires

The new Form I-9 also includes minor revisions to Section 3. For instance, the revised form clarifies that only List A and List C documents need to be reverified if the employee’s previous grant of employment authorization has expired; List B documents, which are used to establish identity, are notably omitted from the list of documents that need to be reverified.

Finally, the List of Acceptable Documents has also been revised and updated. Specifically, List C now makes clear that a Social Security Card is a valid document for purposes of establishing work authorization, unless it contains one of the following 3 notations on the face of the card:

1. "NOT VALID FOR EMPLOYMENT"
2. "VALID FOR WORK ONLY WITH INS AUTHORIZATION"; or
3. "VALID FOR WORK ONLY WITH DHS AUTHORIZATION."

In this age of heightened government enforcement, the release of a newly revised Form I-9 provides employers with the perfect opportunity to review their I-9 procedures to ensure compliance with IRCA.

If you have questions about the new Form I-9 or I-9 compliance issues, please contact the Bond Immigration Practice Group

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