

December 2010

**The Manufacturers Association of the Hudson Valley**

Volume 14 Issue 11

## Hudson Valley Manufacturers Hold Annual Luncheon



Council members mixed and mingled during the cocktail hour at the Member / Associate Member Expo. Eighteen companies displayed their products or services for Luncheon attendees.

On Friday, November 12<sup>th</sup>, the Council of Industry held its Luncheon and Member /Associate Member Expo at the Powelton Club in Newburgh, NY. In addition to acknowledging the hard work of those individuals that have completed the Certificate in Manufacturing Leadership Program, the Annual Luncheon and Expo provided an excellent networking opportunity for members. This year’s speaker was Alistair Bentley, an economist with TD Bank. He spoke about the current state of the financial markets and their impact on the economy.

Mr. Bentley’s primary responsibility is to provide economic analysis of the U.S. with a particular focus on the regional economies of the New England, Middle Atlantic and South Atlantic states for TD Bank. He addressed concerns of local manufacturers with regard to the financial markets and their impact on the availability of credit, the unemployment rate, what impact the Federal Reserves quantitative easing policy might have on ex-

ports and inflation, and the economic outlook for 2011 and 2012. Mr. Bentley contributes to a variety of TD publications and is frequently cited in the media on a range of economic issues. Mr. Bentley has been a member of the TD Economics team since 2009 and holds a Bachelor of Science in Applied Mathematics and a Master of Arts in Economics.

The Member / Associate Member Expo provided an excellent opportunity for manufacturers and businesses that work with manufacturers to network and promote their products and services. There were over 120 members of Hudson Valley industry in attendance and eighteen different companies participating in the expo. This was a chance for members to show their wares so to speak to other members, to let them know about the products and services their companies offer.

The Annual Luncheon is also a celebration of the achievements of those individuals that have completed their Certificate in Manufacturing Leadership. These individuals have completed over forty hours of required coursework in supervisor level leadership through Dutchess Community College. This year there were thirteen graduates from Alcoa Fastening Systems, Dynegey, Schreiner MediPharm, Se’lux, and Taconic Farms. Virginia Stoeffel, Dutchess Community College, presented each of the recipients with their framed certificate before the lunch began.



2010 Certificate in Manufacturing Leadership Recipients were honored at the Annual Luncheon. Here are a few of the thirteen graduates.

The Council of Industry would like to thank our major sponsor: **Direct Energy Business** and our supporting sponsors: **Verticon, Ltd** and **The Reis Group** for their support of Hudson Valley Manufacturing and making this event possible.

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## Training and Education

The Council of Industry's Certificate in Manufacturing Leadership Program begins January 19th with **Fundamentals of Leadership**. This course is a great introduction to the basics of being a successful supervisor. In February the program continues with **Making a Profit in Manufacturing**, a course in financial and accounting issues from a manufacturing prospective. For more information or to register go online to [www.councilofindustry.org](http://www.councilofindustry.org) and click on **Training**.

### Certificate in Manufacturing Leadership: Fundamentals of Leadership

**Dates:** Wednesday, January 19 and Wednesday, January 26, 2011

**Time:** 9:00 am - 4:30 pm

**Location:** Dutchess Community College, Bowne Hall, Poughkeepsie, NY

**Instructors:** Ellen Messer & Bennett Neiman

**Cost:** \$400 Single participant - \$350 Two or more from one company

Designed for the Front Line Manager/Supervisor/Leader this 2 day course introduces participants to the basics of successful leadership and management. Participants will learn skills and techniques to make them more effective leaders including:

- The Role Of The Supervisor
- Task Analysis
- Problem Solving
- Performance Appraisal
- Leadership Styles
- Communications
- Delegating Responsibility
- Motivation and Discipline

This course provides a firm foundation for any person to become productive supervisor and introduces participants to important concepts and skills to be presented in later courses.

### Certificate in Manufacturing Leadership: Making a Profit in Manufacturing

**Dates:** Wednesday, February 9

**Time:** 9:00 am - 4:30 pm

**Location:** Dutchess Community College, Bowne Hall, Poughkeepsie, NY

**Instructors:** Rief Kanan

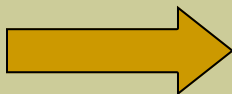
**Cost:** \$200 Single participant - \$175 Each for two or more from one company

Making a Profit—it's what you're in business for and yet many key employees and supervisors don't fully understand how it is achieved. Concepts such as return on capital, productivity, and EBIT may be like a foreign language to many key decision-makers in your organization, but to make a profit they need to be widely understood. This course provides participants with a fundamental understanding of managing finances in a manufacturing environment. This course will cover the basics of financial statements and simple accounting principles. Topics to be discussed include:

- Basic Financial Concepts
- Budgeting and Planning
- Cost Management
- Process Issues
- Managing Inventory
- Reporting Methods

Make sure key people in your organization have the basic financial knowledge to help your organization make a profit.

**Time is running out! Register and pay for Certificate in Manufacturing Leadership courses before December 31, 2010, to receive these great training discounts.**





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

## Council News

### Navigating Employee Leave Under ADA, FMLA and Workers' Comp

On Wednesday, November 17<sup>th</sup>, the Human Resources Sub-council received a presentation from Devora Lindeman, Senior Counsel at Greenwald Doherty, LLP on Navigation Employee leave laws. Ms. Lindeman covered the Workers' Compensation laws, short term disability, FMLA coverage, and leave as an accommodation under the Americans with Disabilities Act. The meeting was well attended and members were able to get answers to a variety of questions.

One of the main points that came across was that company policy and past practice can be a huge factor in how employee leave is dealt with, no matter what the laws are. It is very important to



Devora Lindeman, Greenwald Doherty, LLP, covers the ins and outs of employee leave for the HR sub-council.

have company policy clearly written and that it is enforced consistently and fairly. Lindeman also explained how a serious health condition differs from a disability and companies are required to do in relation to each condition. Documentation is also very important when

dealing with employee leave, keep track of everything. Doctor's notes for missing work should have a potential return date and employees should let you know by that date if they are not able to come back.

After the meeting was over one attendee commented that she was motivated by the presentation to go back to her office and deal with a difficult employee leave issue that had been lingering for awhile. There is more information on employee leave under Workers' Comp on page four of this newsletter in an article written by Ms. Lindeman for HumanResourceIQ.com.

### Next EHS Sub-council Meeting: Environmental Risks- A Critical Business Factor for Success

**When:** Friday, January 21<sup>st</sup>, 8:30- 10:00 am

**Where:** The Chazen Companies, Poughkeepsie, NY

**Cost:** None for members

This presentation by Stephen Myers, CEP, CPEA, The Chazen Companies, will discuss the importance of a sound environmental risk strategy to understand and prioritize environmentally-related threats to your business and how to mitigate them. From legacy risks to operational risks to future risks-business can both reduce the likelihood of a negative impact and take advantage of the opportunities that sound environmental practices present. Come learn how to reduce uncertainty and exposure to loss, quantify potential liabilities, improve allocation of resources, and reduce and manage the probability of significant environmental liability.

Mr. Myers is the corporate vice president of Chazen's Environmental Services organization. Mr. Myers has been in the engineering and environmental management business for over 30 years, having spent 15 years in environmental consulting and 15 years with the General Electric Company. He has a great deal of experience helping companies develop the strategy, tactics and organizational capabilities to manage environmental, social and sustainability risks throughout the business value chain.

There is no cost to attend this meeting for members of the Council of Industry. To register please contact Alison Butler at [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org) or call (845) 565-1355.

### Place Your Company's Ad Here

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

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

## Personnel Matters

**How long you need to grant a "workers' comp related" leave depends on (a) any company policy that governs disability leave; (b) the Family and Medical Leave Act (FMLA) for companies with 50 or more employees; and (c) federal, state and local disability discrimination laws.**

### Ten Legal Tips for Dealing with Employees on Workers' Comp Leave

By: Devora Lindeman For HumanResourcesIQ.com

Dealing with employees who get ill or injured at work in the U.S., and are covered by your company's workers' compensation insurance, can raise a host of legal issues for HR. Often I find in my practice that clients misunderstand their rights as employers and let employees take advantage of the system. Here are some tips to help you manage U.S. based employees who need workers' comp leaves:

**1) Workers' Comp Laws Provide Insurance Benefits, Not Leave.** Most states' workers' comp laws are only insurance benefit statutes, providing some percentage of salary continuation and medical benefits related to the injury or illness. The statutes themselves do not provide leave. They don't say "employees who are injured at work get X amount of leave." In fact, although states vary (and be very wary of California in this regard), in many states workers' comp statutes are not job-protection statutes and employers can let employees go who are on workers' comp leave. You just can't fire an employee because he or she got workers' comp benefits.

**2) The Length of Workers' Comp Leave Is Determined As Is Leave For Any Employee With A Disability Who Can't Work.** How long you need to grant a "workers' comp related" leave depends on (a) any company policy that governs disability leave; (b) the Family and Medical Leave Act (FMLA) for companies with 50 or more employees; and (c) federal, state and local disability discrimination laws.

**3) Leaves Should Run Concurrently.** If your company is covered by the FMLA, all leaves to which the employee is entitled should run concurrently (i.e. FMLA leave; "workers' comp leave";

paid leave under a company disability policy). As soon as an employee is seriously ill or injured and would qualify for FMLA leave, FMLA leave starts, whether the need for leave is work-related or not.

#### **4) Employees Cannot Be Required To Return To Light Duty If On FMLA**

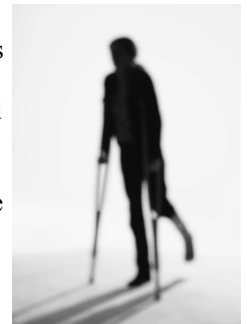
**Leave.** If an employee is on an FMLA leave, even if the doctor advises that the employee can return on light duty, the employee may refuse to return until the end of their FMLA entitlement. Employees cannot be forced to return before their FMLA leave is up if they cannot return to full duty. (Note, however, that failing to return may affect the employee's workers' comp benefits.)

**5) Employers Do Not Have To Accept Employees On Light Duty If They Have No Light Duty Jobs.** If your company has no light duty jobs, it is generally not obligated to create one.

#### **6) Returning an Employee To Light Duty From FMLA Leave Does Not Satisfy the Employer's Return-To-Work Obligation.**

Employers are obligated to return employees on FMLA leave to the same or an equivalent position. If an employee returns to work from FMLA leave on light duty, the employee's right to return to the same or an equivalent position continues for the employee's 12-month FMLA period. (Employees get 12 weeks of unpaid, job protected leave in a 12-month period. That's the time period to consider with regard to return from light-duty leaves.)

**7) Employees Should Provide Return-to-Work Dates.** Make sure the company has documentation from the employee's health care



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**Continued on page 15**

## Health Care Reform Update

### New Health Care Reform Rule Means Changing Insurance Carriers Won't Cause Group Plan to Lose Grandfather

From JacksonLewis.com

The Departments of Treasury, Labor, and Health and Human Services have bowed to the appeals of employers and others trying to deal with a reality of health care reform by releasing an amendment to the interim final regulations on grandfathered health plans that permits certain changes in insurance policies without loss of grandfathered status. (See Text of Amendment to Interim Final Regs on Status as Grandfathered Health Plan Under the Patient Protection and Affordable Care Act.) The amendment is being published in the Federal Register on November 17, 2010.



rule gave insurers an unfair advantage in negotiating renewals, among other things, and noting that the rule made no exception even if the policy or carrier change was outside the plan sponsor's control (e.g., the carrier did not renew), the agencies recognized the need for relief.

#### Amended Rule

The amendment provides that a group health plan can change policies or carriers without losing grandfathered status, provided no other changes are made that would cause the plan to lose grandfathered status. (Other changes that would cause loss of grand-

fathered status include benefit eliminations, cost-sharing percentage increases, certain fixed-amount cost-sharing increases, certain employer contribution rate reductions, and annual benefit limit decreases.) The amendment will be effective prospectively, too late to help employers with new group health plan policies that became operative before its date of publication in the Federal Register.

#### June Rules

Under the health care reform grandfather plan rules published June 17, 2010, a plan in effect on March 23, 2010, may be insulated from many new requirements, provided the plans refrained from making certain changes. The agencies adopted the general rule that changing insurance policies or carriers would cause a plan to lose its grandfathered status even if no other change was made to the plan. (A special rule applies for collectively bargained plans.) Realizing that the

**Under the health care reform grandfather plan rules may be insulated from many new requirements, provided the plans refrained from making certain changes.**

### Consumer Price Index - October 2010

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
<b>Wage Earners &amp; Clerical</b>	<u>Oct.'09</u>	<u>Oct.</u>	<u>Sept.</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	630.14	639.3	638.35	0.94	0.0	1.5
1982-84= 100	211.55	214.62	214.31	0.32	0.1	1.5
<b>All Urban Consumers</b>						
1967=100	647.57	655.16	654.35	0.82	0.1	1.2
1982-84=100	216.33	218.71	218.44	0.27	0.1	1.1
Hudson Valley unemployment rate for October 2010 = 7.1 %						



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## Legislative Matters

**"States do not enact tax changes in a vacuum," said Scott Hodge, president of the Tax Foundation. "Every tax change will affect a state's competitive position relative to its neighbors."**

### Tax Foundation Latest Study Ranks New York State as Worst Business Tax Climate Nationwide

By Karyn Burns, Director of Government Affairs, Council of Industry

The Tax Foundation has released the newest edition of the *State Business Tax Climate Index*, which ranks from 1 (best) to 50 (worst) the tax systems of the 50 states. South Dakota's tax system is most welcoming to economic activity while New York's tax code ranks 50th as the least hospitable.

"States do not enact tax changes in a vacuum," said Scott Hodge, president of the Tax Foundation. "Every tax change will affect a state's competitive position relative to its neighbors."

The goal of the index is to focus lawmakers' attention on the importance of good tax fundamentals: enacting low tax rates and granting as few deductions, exemptions and credits as possible. This "broad base, low rate" approach is the antithesis of most efforts by state economic development departments who specialize in designing "packages" of short-term tax abatements, exemptions, and other give-aways for prospective employers who have announced that they would consider relocating. Those packages routinely include such large state and local exemptions that resident businesses must pay higher taxes to make up for the lost revenue.

"The temptation is for state lawmakers to lure high-profile companies with packages of tax bonuses," said Kail Padgitt, Ph.D., the author of the 2011 edition of the Index, "but that strategy often backfires if the company does not prosper."

The ten states with the least hospitable business tax climates are, from 50<sup>th</sup> to 41<sup>st</sup> best: New York, California, New Jersey, Connecticut, Ohio, Iowa, Maryland, Minnesota, Rhode Island and North Carolina.

The worst state tax codes tend to have:

- complex, multi-rate corporate and individual income taxes with above-average tax rates;
- above-average sales tax rates that don't exempt business-to-business purchases;
- complex, high-rate unemployment tax systems; and
- high property tax collections as a percentage of personal income.

The Tax Foundation is a nonpartisan, nonprofit organization that has monitored fiscal policy at the federal, state and local levels since 1937. To read the full report, please visit [www.taxfoundation.org](http://www.taxfoundation.org)



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## More Legislative Matters

### Learn about E-Verify

*From The U.S. Citizenship and Immigration Services (USCIS) and Department of Homeland Security (DHS)*

Now is the ideal time to ensure that employers and employees understand the E-Verify and the federal employment eligibility verification processes. E-Verify is a fast, free, and easy to use internet-based service run by the Department of Homeland Security (DHS) and the Social Security Administration that allows employers to verify the eligibility of their newly hired employees to legally work in the United States.

All United States employers are already required to complete and retain a Form I-9 - the "Employment Eligibility Verification" form - for each person they hire in the United States. That includes citizens and non-citizens.



E-Verify takes the Form I-9 process one step further. It compares information provided on a Form I-9 against information in government records. In most cases, E-Verify tells the employer in just seconds if an employee is eligible to work in the United States. E-Verify isn't a database, but simply a secure way for employers to check new employee's employment eligibility information against existing records in the Social Security Administration, DHS and the State Department – depending upon which form of identification the employee presents, and the employee's citizenship or immigration status.

To use E-Verify, an employer must first enroll online at [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify). Employers complete a basic registration application, then must take a tutorial, and pass a test before being granted access to use the system. Once enrolled, there are also rules that must be followed. For example, E-Verify cannot be used by employers in a discriminatory way, such as only checking some employees but not others. Employers may not use E-Verify to prescreen job applicants. Also, employers may not take any adverse action against an employee, including firing or delaying the employee's start date, who is in the process of resolving an initial mismatch of information.

DHS conducts free, live [webinars](#) about E-Verify that you can attend without leaving the office. The 90-minute webinars include a demonstration of E-Verify and an opportunity to ask questions. By the end of the webinar, employers have a good understanding of E-Verify. DHS also offers Form I-9 webinars, and webinars for E-Verify existing users. To register, go to [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify).

E-Verify is currently used by about 230,000 employers at more than 800,000 worksites. E-Verify is growing rapidly, with an average of 1,000 new businesses enrolling each week. For most employers, using E-Verify is voluntary and limited to verifying new employees only. Since September 2009, E-Verify is mandatory for many federal contractors.

The E-Verify web interface that employers use recently underwent a major redesign making the system even easier to use. Visit the [E-Verify website](#) to learn more: [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify).

***E-Verify isn't a database, but simply a secure way for employers to check new employee's employment eligibility information against existing records in the Social Security Administration, DHS and the State Department.***

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## EHS Matters

### OSHA Moves Ahead with Injury and Illness Prevention Program (I2P2)

From JacksonLewis.com



No, "I2P2" is not the cute little robot in the *Star Wars* movies. It is the moniker given by the Occupational Safety and Health Administration to its expected Injury and Illness Prevention Program. The agency is working on new regulatory requirements that may affect nearly every employer. The agency wants employers everywhere to undertake an overarching, programmatic approach to occupational safety and health, a framework for their businesses to incorporate hazard investigation, identification, remediation and prevention into workplace culture. OSHA Administrator Dr. David

Michaels describes the program rule as a "risk-based system to address hazards" in which workers will play "an important role." OSHA, he said, is "trying to get away from [a] 'catch-me-if-you-can'" approach to dealing with workplace safety and health issues.

Injury and illness prevention programs already are required in California, which has a state OSHA Plan; other states have safety programs and safety committee requirements in connection with their workers compensation laws.

OSHA is laying the groundwork for a national I2P2. It has engaged the Eastern Research Group to prepare a "Safety and Health Practices Survey." The Group's questionnaire attempts to determine how safety is managed in various workplaces and may hold clues to potential program elements that may be included in any I2P2 that is adopted. It will be sent to employer establishments selected at random from a publicly available database, according to OSHA. All sectors of the economy will be represented.

OSHA promotes participation in the Survey as a way "to enable you to have your voice heard and your experience considered as OSHA approaches new regulation." While Michaels said a draft proposed regulatory text for I2P2 should be ready for publication by year's end, the rule is certainly a work-in-progress. The agency will need to receive and assess the information from the Survey and incorporate it meaningfully in any proposed rule.

The agency recognizes some employers may hesitate to hit the send button on the multiple-choice questionnaire for fear of disclosure of their responses. It seeks to reassure them, saying, "No individual or company will be identified to OSHA, nor will ERG provide any information to OSHA that will enable identification of any individual or company." It will receive only aggregate data from ERG and participation will be voluntary. The [Survey](#) is presently being reviewed by the Office of Management and Budget.

The 49-question interrogatory includes questions to profile the employer's establishment, determine existing safety and health management practices and responsibilities, explore types of hazards present and types of safety training, identify sources of safety information, catalog safety management systems, programs and program elements already in place, including accident investigation methods, and obtain information on protections for contractor employees working on the host employer's site.

**The agency wants employers everywhere to undertake an overarching, programmatic approach to occupational safety and health, a framework for their businesses to incorporate hazard investigation, identification, remediation and prevention into workplace culture.**

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## CI Calendar—What's Ahead

<b>Dec. 6-10</b>	<b><u>SolidWorks Essentials</u></b> — Monday through Friday, 9:00 am – 5:00 pm at the SUNY Ulster Business Resource Center in Kingston, NY. Cost is \$350 per person. Class is full.
<b>Dec 31</b>	<b><u>Deadline for Early Bird Registration for Certificate in Manufacturing Leadership Program Courses.</u></b>
<b>Dec 31</b>	<b>Place an ad in the Council of Industry's Member Directory before this date at a <u>Discounted Price</u> .</b>
<b>Jan 10–14</b>	<b><u>SolidWorks Essentials</u></b> — Monday through Friday, 9:00 am – 5:00 pm at the Rockland Community College in Suffern, NY. Cost is \$350 per person.
<b>Jan 19 &amp; 26</b>	<b><u>Certificate in Manufacturing Leadership: Fundamentals of Leadership</u></b> – 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$400 single participant, \$350 each for 2 or more from the same company.
<b>Jan 21</b>	<b><u>EHS Sub-council Meeting: Assessing Environmental Risk Factors</u></b> — 8:30 –10:30 am at The Chazen Companies, Poughkeepsie NY. To register e-mail <a href="mailto:abutler@councilofindustry.org">abutler@councilofindustry.org</a> .
<b>Feb 9</b>	<b><u>Certificate in Manufacturing Leadership: Making a Profit</u></b> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
<b>Feb 23</b>	<b><u>Certificate in Manufacturing Leadership: Environment, safety &amp; Health Risk Management</u></b> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.

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

## Energy Matters

**Council of Industry member MPI Inc., a Poughkeepsie-based wax equipment manufacturer, recently completed the lighting program with glowing results, and, like Modern Cabinet, saw an instant reduction in energy costs.**

### New Central Hudson Program Lights up Hudson Valley

By Barry Henck, Central Hudson Gas & Electric

Companies throughout the Hudson Valley are lowering their electric bills, saving energy and experiencing better-quality lighting thanks to Central Hudson's improved energy-efficient commercial lighting program.

For a limited time, the utility is offering to replace companies' old fixtures and other permanent lighting equipment with energy-efficient bulbs. Central Hudson will cover 70 percent of the installation costs and provide zero percent financing for the remaining balance. Most companies can pay off the remaining balance with energy savings within two years.

The program is offered to small and mid-sized companies, including distributors, manufacturers and other industrial businesses.

Poughkeepsie's Modern Cabinet Company is among several area businesses that have taken advantage of the program's savings. When the company's owners had their lights swapped, they saw immediate savings on their electric bill. According to Energy Star estimates, businesses can save as much as 25 percent on their yearly electric bills by switching to more energy-efficient lighting.

Central Hudson covered \$4,750 of Modern Cabinet Company's installation costs, and the cabinet maker's owners and workers noticed a great improvement in their quality of light.

"At first we tried a few bulbs to see how it would look, and we noticed that our workers started huddling under the one lighting fixture because they could really see what they were doing," said Modern Cabinet Company's Sam Schor. "With a lower electric bill, better lighting and a two-year payback period, it was a no-brainer."

Council of Industry member MPI Inc., a Poughkeepsie-based wax equipment manufacturer, recently completed the lighting program with glowing results, and, like Modern Cabinet, saw an instant reduction in energy costs. Hudson Baylor Corp. and Package Pavement Company are other members that have signed on to the program and received free, onsite energy audits.

The program also extends to municipalities, schools and government buildings, which often have a hard time paying for the necessary retrofitting. The utility will pay 70 percent of the installation cost, and agencies can use their Energy Policy Act tax credits to cover the remaining balance.

"We're very pleased with the number of companies benefitting from our energy-efficient commercial lighting program," said Anthony Campagiorni, Central Hudson's Assistant Vice President of Government Affairs and Economic Development. "It's New York's goal to reduce energy consumption 15 percent by 2015, so we hope local businesses take advantage of this offer before the money runs out."



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## Manufacturing Matters

### Iron-Clad Protection of Trade Secrets

From *The Bridge Newsletter*, Vanacore, Debenedictus, DiGovanni & Weddell

Your company probably has security systems in place to prevent theft of computers, machines and products, yet you may not be doing enough to safeguard your customer lists, new product designs and marketing strategies. Manufacturers rank second only to high-tech companies as targets of intellectual property theft.

Businesses need to make protection of trade secrets a high priority. The potential loss in terms of competitive advantage, market share and revenue can be staggering.

Intellectual property thieves can include employees, former employees, on-site contractors, vendors, and foreign and domestic competitors. Hackers operating from remote locations are a threat, but the greater risk comes from people who know your business and are physically present on the premises - especially employees who steal information and sell it to competitors, either while they're still working for you or after they leave their jobs.

In many environments, access to information can be ridiculously easy. For example, employees may have passwords taped under their keyboards or tacked on their bulletin boards. Others may divulge information to personable service technicians who come to repair office equipment. And perhaps no one questions a stranger who walks authoritatively into an empty conference room and plugs into a live Ethernet jack, gaining access to the company's network, and walks out with a stash of financial information.

When intellectual property theft occurs, it may be months before your company discovers it. One company's nightmare started when a contract computer programmer not only stole their new product design, but also trashed computers in an attempt to sabotage development. The act set the company back a year and the information ended up in a competitor's hands.

Many people who steal trade secrets get away with it. Prior to 1996, it was difficult to prosecute such cases, but in that year, Congress

passed the *Economic Espionage Act*. One provision (Section 1832) addresses the theft of a trade secret related to, or included, in a product. The punishment is harsh. A convicted individual can be fined up to \$500,000, sentenced to up to 10 years in prison, or both.



Under the law, a trade secret is broadly defined. It includes all types of information that the owner has taken reasonable measures to keep secret and that has independent economic value. For example, financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes.

Here are just a few tips for protecting intellectual property:

Here are just a few tips for protecting intellectual property:

- Perform a risk assessment for intellectual property, just as you would for real property.
- Enlist the help of all employees to watch out for suspicious activity. Role-playing possible scenarios, such as someone plugging into an Ethernet jack, can be instructive.
- Carefully screen new employees and contract workers, and require them to sign confidentiality agreements.
- Require delivery people to show more than one form of identification - for example, a company ID and a driver's license.
- Encrypt files and folders so that only authorized people have the "keys" to unscramble the data. That way, if a thief steals a laptop computer, the information would be meaningless.
- Establish levels of access to files and folders. For example, whoever handles the company's financials determines which people or work groups need access to that information, and can restrict their ability to modify or delete information.

**Businesses need to make protection of trade secrets a high priority. The potential loss in terms of competitive advantage, market share and revenue can be staggering.**

## Member Profile

**Member Profile:** Chemprene, Inc.

**chemprene**

**Year founded:** 1950s

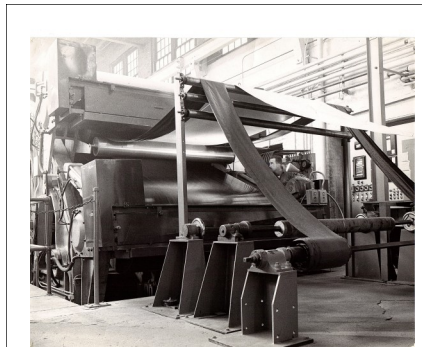
**Location:** Beacon, NY

**Products:** Manufacturer of light weight rubber conveyor belting, coated fabrics, diaphragms, and other precision molded products.

**Website:**

[www.chemprene.com](http://www.chemprene.com)

In the 1950s, Tom Martini, Dan Donovan, and Bill Shepard started a company, called Chemical Rubber Products, which would evolve into one of the world's leading manufacturer of light weight rubber conveyor belting, coated fabrics, and diaphragms. The original company was housed in leased facilities on South Ave, in Beacon, NY, and produced coated fabrics for the U.S. military. During the early years, the business grew rapidly and the management at Chemical Rubber Products instilled a tradition of working closely with their employees and buying the finest, most sophisticated equipment available.



This photo shows a double band rotocure (which makes smooth white cover food grade belts) at **Chemprene, Inc.** Chemprene has been manufacturing coated fabrics, conveyor belting, and automotive and industrial diaphragms since the 1950s in Beacon.

For over fifty years, Chemprene has set the industry standard for food processing conveyor belting products. This light weight conveyor belting can also be found throughout in the package handling industry, and it has many general industry applications as well. With innovations such as Teflon coated belts for excellent release, butyl belts for high/low temperature capabilities, *Neetgrip* for transporting packaged products, and the *Meatcleet* for steep

incline/decline applications within the meat processing industry, it is possible to find Chemprene's products at Tyson Foods, Interstate Bakeries, Frito-Lay and Del Monte just to name a few.

Chemprene's engineered coated fabrics are manufactured with a wide variety of rubber coating and curing techniques that have made them a leading manufacturer of calendared products and coated fabric materials. These products are used in oil boom materials for oil spill retention and were recently a part of the BP oil spill clean-up in the Gulf of Mexico.

These fabrics can also be used in ESD products for the electronics industry, uncured hydraulic and fluid sealing materials for the oil drilling industry, fuel cell materials for automotive and aviation applications, and in diaphragm materials for automotive and industrial applications.

In 1961, Chemical Rubber Products began manufacturing diaphragms in a building on South Avenue in Beacon. The diaphragm line has since grown to be a major contributor to Chemprene's overall program and they are the industry leader in the design and manufacture of elastomeric diaphragms.

Chemprene's ability to design and manufacture specialty materials for diverse applications has led to their products being used in diaphragm pumps, gas and fluid metering devices and engine and fuel management systems.

Throughout the 60s, Chemical Rubber Products continued to grow and in 1964 it was bought by

**Continued on next page**

*For over fifty years, Chemprene has set the industry standard for food processing conveyor belting products. This light weight conveyor belting can also be found throughout in the package handling industry, and it has many general industry applications as well.*

## Member Benefits

### Continued from page 12

#### Chemprene, Inc.

the Richardson Company based in Melrose Illinois. The name was changed to Chemprene, Inc. and by the mid 70's a new plant was built on Fishkill Avenue in Beacon. This new facility is where Chemprene still is today with over 225,000 square feet of administrative, manufacturing and laboratory facilities.

In 1982, the Witco Corporation acquired the Richardson Company and Chemprene continued to grow. Then in 1993, Witco decided to sell Chemprene to prune their assets and focus on other product lines. Fortunately a group of Chemprene managers, with an average of over 20 years experience each, decided to purchase the company with the help of an outside investment group. In 1997 Chemprene changed hands yet again, this time being bought by Gamma Holding, a Dutch based industrial manufacturer of textile goods.



The current Chemprene facility in Beacon, NY.

Despite the changes that growth has brought to the company, one thing remains constant, their tradition of management working closely with employees. As a part of that tradition, Chemprene has sent several individuals through the Council of Industry Certificate in Manufacturing Leadership Program. Many of their current managers and supervisors are graduates of the program and as a result have shared training in many areas which creates common ground and shared skill sets. The result is very low turnover and improved communication and production.

It is these employee relationships, combined with Chemprene's focus on improving the manufacturing process and a commitment to work in partnership with their customers to provide superior products that have led to Chemprene's success.

### New Year, New Look for the Council of Industry



The new Council of Industry Logo.

Starting this month, the Council of Industry is undergoing a make-over. To start off the second century of serving Hudson Valley Manufacturers, the Council of Industry has made a few changes

not just in looks but in accessibility.

This month will be the debut of our new website. While the address will remain [www.councilofindustry.org](http://www.councilofindustry.org) and all the information you've come to rely on for training, network meetings, and contact info will still be there, we hope the new format is easier to navigate and more interactive with our members. One new feature will be a members only section which will contain searchable contact information.

Our registration process is also becoming more streamline. Members will be asked to complete a form with contact info the first time they register, but each time after that they should be able to log in with their name and password and just click on the training they would like to receive. This new program will help the Council to keep track of who has attend what training and the demographics of who is attending trainings to help us tailor the offerings to ones our members need.

The CI Newsletter will get a makeover as well. Watch your mail for our exciting new look during the first week of January.

Don't forget to purchase an ad in our member directory. Go to our website and select advertising or e-mail Alison Butler at [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org). If you purchase and pay for you ad before December 31st you will receive a discount.

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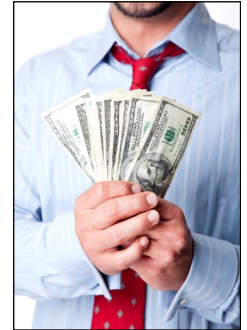
## Financial Matters

**"You have foreclosures rising, and when banks foreclose, they sell those houses at rock bottom prices, and builders just can't compete in that market," said Patrick Newport, economist with IHS Global Insight.**

### We Need Stim-u-Less

by Mark A. Grimaldi, Navigator Money Management, Inc.

Two years since our national economy melted down, half of the Troubled Asset Relief Program (TARP) money was virtually wasted. Why do I say that? Because the fundamental problem continues to be that sub-prime borrowers are not able to keep up with their mortgages. Translation: Foreclosures climbed to almost 2.8 million in 2009 and there were 1.6 million foreclosures through June 30, 2010.



"You have foreclosures rising, and when banks foreclose, they sell those houses at rock bottom prices, and builders just can't compete in that market," said Patrick Newport, economist with IHS Global Insight.

According to the U.S. Census Bureau and the Department of Housing and Urban Development, sales of single-family houses in September 2010 were 6.6% above the revised August rate, but this is 21.5% below the September 2009 estimate. This represents a supply of 8.0 months at the current sales rate. Elevated inventory levels of both new and existing homes will continue to put downward pressure on new home sales.

My solution to this ongoing crisis is to set up a publically owned Resolution Trust Company that buys every bad mortgage from the banks and resets the terms to affordable levels - without adjusting the principle amount. Cut the rates to the prime rate and push out the term to 30, 40 or even 50 years. My plan allows a couple - both of whom work at minimum wage (\$6.55 nationally) for 42.4 hours per week - with a mortgage of \$200,000 to be able to make their mortgage payments.

Evictions and foreclosures cost everybody. This plan would stop 90% of all foreclosures, which would stabilize the housing market in less than 9 months. This can be accomplished without one cent of the TARP money. In fact, Uncle Sam would make money by buying failing mortgages at 20 to 30 cents on the dollar, restructuring them and reselling them at 70 to 80 cents on the dollar.

This dire situation does require the government's involvement. Only the government can mandate interest rate adjustments and term extensions. Home values would bottom out in three to four months and start rising before 2011 is over. Many of our private clients ask me, "When will this crisis be over?" My best guess is when unemployment stops rising, then starts to decline and when we start seeing reverse stock splits.

The Federal Reserve is embarking on its second round of quantitative easing. What that means is the Fed will try to artificially lower interest rates even further. This will be done by buying close to a trillion dollars of treasury notes and bonds in the open market. This demand will raise bond prices and lower interest rates. It will also inject billions of dollars into the economy which the Federal Reserve hopes will be used to create a short term boost in consumer demand, thus freeing employers to hire more workers. Will it work? It will have an impact on interest rates; it will put more money into consumer's hands, but it will not markedly reduce unemployment. The unfortunate side effect will be higher inflation. This country will not see job grow until the housing market is fixed, and the housing depression is only in the 5<sup>th</sup> or 6<sup>th</sup> inning.



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# Economic Update

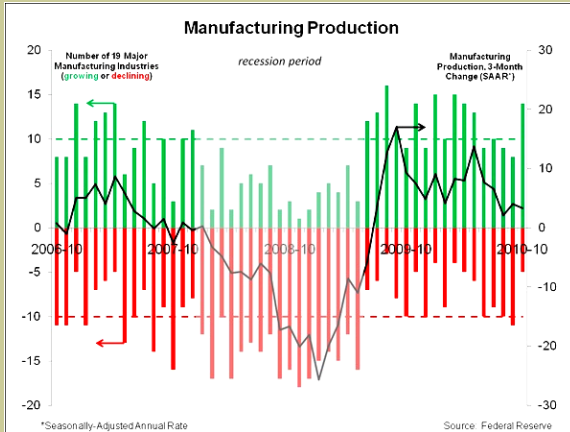
## Manufacturing Production

By **Dave Huether**, Chief Economist, National Association of Manufactur-

Continuing a trend over the last several months, economic indicators continued to gain modest positive momentum into the fourth quarter. Six of the ten major indicators improved, one remained unchanged and just three declined.

Three of the reports that came out recently involved the manufacturing sector. Overall, the picture developing in the fourth quarter is of broad-based yet modest growth. As the green and red bars (which show the proportion of the major 19 manufacturing industries where production grew or declined) in the chart above illustrate, 14 manufacturing industries increased production in October - the largest number since April. While this is a good sign, it is also clear that the manufacturing recovery is decelerating. As the black line in the chart shows, manufacturing production grew at an annual rate of just 3.3 percent in the three months ending in August.

While this is likely faster than the overall pace of the economy, the pace of the manufacturing recovery has slowed significantly from the first half of the year. This is due to several factors. First, most of the fiscal stimulus is now spent. Second, the inventory rebuild has also run its course. Despite the ongoing concerns with respect to possible tax increases next year, which would be a real "body blow" to the recovery, the chances that the manufacturing sector will continue to outpace the overall recovery are high, mainly due to continued solid export growth, which is the one area where the current recovery has performed better than all its predecessors in the post-WWII era.



Continued from page 4 -

## Workers' Comp Leave


practitioner stating an expected return-to-work date, and require employees to advise in advance both (a) if the employee is not returning on that date, along with a revised expected return date and (b) if the employee is returning.

**8) Leaves Can Be Reasonable Accommodations, and Indefinite Leave Is Not Reasonable.** If the employee cannot return at the end of FMLA leave (or if the employee is not eligible for FMLA leave), leave can be a reasonable accommodation under applicable disability discrimination laws. Indefinite leave (including leave where the doctor cannot identify a return to work date, or there are constantly extended RTW dates) is generally not reasonable.

**9) Employees Terminated On Workers' Comp Leave Continue Their Benefits.** An employee let go while on workers' comp leave continues to be eligible for benefits until the doctor certifies they can return to work. Continued employment is generally not a requirement for continued workers' comp benefits.

**10) Consult Employment Counsel Before Firing Employees On Workers' Comp-Related Leave.** Many state workers' comp statutes contain retaliation provisions which allow employees to sue in regular court (not a workers' comp forum) claiming that they were fired in retaliation for using workers' comp benefits. Consult with your employment counsel prior to terminations so as not to run afoul of these laws.

Employers should of course take precautions to maintain safe workplaces but employees can still get hurt and need leave. While employers want to be compassionate so employees can mend and return, maintaining control of the situation, and understanding the company's rights, is important.



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