

# Council of Industry Newsletter

September 2013

Volume 17 Issue 8

# Council Members Enjoy the Day at 2013 Golf Outing

Not even the weather could put a damper on the Council of Industry 2013 Golf Outing. Held at the historic Powelton Club in Newburgh, NY, this year's outing was fun for all 76 participants even though rain showers flitted in and out throughout the afternoon. This outing is always a great time for both the serious golfers and the ones just out for a fun day with family, friends and co-workers.

The event kicked off with a delicious lunch sponsored by **Joe Pietryka Inc.** and each golfer received commemorative golf shirts compliments of Direct Energy and the Council of Industry.



The winners of the 2013 Council Cup—Pawling Corp. (not in the order shown) Jason Smith, Walt Hauser, Jon Olsen, and John Muro

As the foursome left the clubhouse the overcast skies let off a few showers here and then the sun put in an appearance for an hour or two before a light rain once again moved in to finish off the day. The precipitation did not put a damper on the outstanding performances



The winning Yellow Ball team: The Reis Group (not in the order shown) Scott Yrves, Dave Plamer, Lou and Paul Casciaro

of our members though. The winning team for best ball was from Pawling Corp. (Jason Smith, Walt Hauser, Jon Olsen, and John Muro) scored 67 to just beat Pawling Engineered Products (Craig Busby, John Rickert, Luke Ebersold, and Jim Panczykowski) at 68. The Yellow Ball competition was fierce as well with 8 out of 19 yellow balls completing the course. The winning Yellow Ball team was The Reis Group (Scott Yrves, Dave Plamer, Lou and Paul Casciaro) finishing with a score of 80 to beat the second place team from Fair-Rite Products (Debra Sherman, Stan Sherman, Sr., Stan Sherman, Jr. and Richard Sherman, Sr.)

Although no one won the luxurious Kia Cadenza at the Hole-in-One sponsored by

**The Reis Group**, there were several outstanding individual performances as well. Eileen Larocca from Alcoa Fastening Systems won the Woman's Longest Drive, Bob Ambrosetti from Armistead Mechanical Inc. won the Men's Longest Drive and Craig Busby from Pawling Engineered Products won the Men's Closest to the Pin competition.

The day ended with a scrumptious dinner and cocktails sponsored once again by the very generous **Joe Pietryka**, **Inc.** The prizes were given out and Pawling Corp took home the Council Cup until next year's outing. We would like to thank the following prize sponsors: **Direct Energy**, **Jabil Circuit**, **Verticon LTD**, and **Martinelli Custom Publishing**.

We would also like to thank our wonderful tee sponsors for their support: Riverside Bank, Package Pavement, Pawling Corp., Rondout Savings Bank, Jackson Lewis, LLP, Advanced Coating Technologies, Armistead Mechanical, AMI Services, The Chazen Companies, Next Era Energy, Eastern Alloys, Ethan Allen Personnel, HRP Associates, Mid-Hudson Workshop, Schatz Bearing Corp., and Cuddy & Feder, LLP.

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# **Training and Education**

# **Green Belt Program at DCC**

When: Sept 18—Dec. 19 (see schedule of dates on

our website) 8:30 am — 4:30 pm

Where: Dutchess Community College, Poughkeep-

sie, NY

**Cost:** Single participant \$3,700, two participants \$3,300 each, three or more participants \$2,997

each

Register: Contact Virginia Stoeffel, Dean DCC, at

(845) 431-8908 or Virgin-ia.stoeffel@sunydutchess.edu.

The Green Belt program will be meeting from September 18th to December 19th. These sessions are highly interactive, and include classroom assignments and structured exercises. In addition, these participants are required to utilize the tool learned in the training on a project specific to their organization. The benefits of these projects typically more than cover the cost of the training.

### DATE and TOPICS

9/18/13	LSS Overview, Team Building
9/19/13	Define Tools: SIPOC, VSM, Project Charter
10/2/13	Measure Tools Statistical Thinking, Standard Work, Cost of Quality
10/3/13	Project Charter Presentation; Analyze tools: Cause & Effect, FMEA
10/16/13	Minitab, Sampling, Basic Statistics
10/17/13	Components of Variance, MSA & Regression Analysis
11/6/13	Improve and Control Tools: 5-S, Visual Control, Project Planning
11/7/13	Kaizen & Line Design/ Project Review in PM
11/20/13	Setup Reduction/ TPM/ Kanban
11/21/13	Project Review (Individual team sessions)
12/4/13	Capability Analysis, Control Plans, SPC
12/ 5/13	Design of Experiments
12/19/13	Project Reports

For a schedule of dates and topics go to :http://www.councilofindustry.org/training/category\_courses.html#greenbelt



## Register for Regulatory Refresher Training: HazMat, RCRA, HAZWOPER and 10 hr OSHA



Now is the time to register for Regulatory Refresher Training offered this fall by the Council of Industry. Last year some courses were filled to capacity and individuals had to be wait listed so be sure to secure your seat early. There are four classes offered and more details and online registration are available on the Council of Industry website at <a href="https://www.councilofindustry.org/training/category">www.councilofindustry.org/training/category</a> courses.html#regulatory.

### **DOT Hazardous Materials Training**

**Dates:** September 19, 2013\* **Time:** 8:30 am - 12:30 pm **Location:** To be determined\*

Cost: \$120 single member, \$110 each for two or more form the

same company

### RCRA Hazardous Waste Training

Dates: October 3, 2013\*
Time: 8:30 am - 12:30 pm
Location: Chemprene, Beacon, NY\*

**Cost:** \$120 single member, \$110 each for two or more form the

same company

### **HAZWOPER Training**

Dates: October 17, 2013\* Time: 8:30 am - 4:30 pm Location: To be determined\*

Cost: \$240 single member, \$220 each for two or more form the

same company

### 10 Hour OSHA Training

Dates: October 29 & 30, 2013\* Time: 8:00 am - 1:00 pm Location: Chemprene, Beacon, NY\*

**Cost:** \$120 single member, \$110 each for two or more form the

same company

For more information or to register online go to: <a href="https://www.councilofindustry.org/training/category\_courses.html#regulatory">www.councilofindustry.org/training/category\_courses.html#regulatory</a>. Or call (845) 565-1355 or email <a href="mailto:training@councilofindustry.org">training@councilofindustry.org</a>.

\* Dates and locations are subject to change based on

# **Council News**

# CI

# 3D Printing in the Hudson Valley

Hudson Valley manufacturers have two local programs available to assist with their 3D printing needs.

SUNY New Paltz is offering Digital Design and Fabrication Production this fall as a credit class to college student or to non



-matriculated students or for no-credit through Extended Learning. The certificate can be earned for either option.

To register or for more information contact <u>mask-erl@newpaltz.edu</u>

The Hudson Valley Technology Development Center is offering Design & Prototyping Services utilizing the expertise of their on-staff engineers and their 3D printing capabilities. Services available include:

- Design HVTDC can conceptualize and design the electrical circuits, embedded firmware, database and web architecture, and mechanical packaging.
- Prototyping HVTDC can build limited quantities of the initial design and rigorously test them to assure they meet your requirements and those of your customers.
- Agency Approval If required, HVTDC will submit your designs for Agency approval which can include FCC, UL, CE, WEEE, RoHS and REACH. They will take care of all the paperwork, participate in the testing process, and make any adjustments required to obtain approval.
- Release for Manufacturing HVTDC can help analyze your requirements and projected volumes. They will work with your existing suppliers or a network of companies that HVTDC works with both locally and internationally.

For more information about these services go to HVTDC's website <a href="http://hvtdc.org/innovate/">http://hvtdc.org/innovate/</a>

# Human Resources Subcouncil: Planning for the Employer Mandate Under the Affordable Care Act

When: September 20th, 8:30 - 10

am

**Where:** Simulaids, Saugerties, NY **Speaker:** Amy Klein, Bond, Schoe-

neck & King PLLC

Cost: Free to members

**To Register:** Email Alison Butler at abutler@councilofindustry.org or call

(845) 565-1355.

The effective date for the "shared responsibility payment" for failure to offer health coverage to fulltime employees may have



been delayed, but the preparation has not! In this session we will explore who is an "applicable large employer" that must offer coverage, what coverage must be offered, and how to determine who is a "full-time employee" eligible for the coverage.

Amy Klein, Bond, Schoeneck & King PLLC, will cover these items in her presentation on Planning for the employer mandate under the Affordable Care Act. Ms. Klein is a graduate of the University at Albany, State University of New York and Fordham University School of Law. She advises employers of all types and sizes on the design and compliance of employee benefit programs, including all types of retirement plans, health and welfare plans, cafeteria and flexible spending account plans, severance and early retirement incentive programs, incentive compensation and nonqualified deferred compensation arrangements

To register please email Alison Butler: <u>abutler@councilofindustry.org</u>. or call (845) 565-1355.

employers might consider taking a "breather" from some of their ACA compliance efforts, the delay isn't broad enough to ignore ACA altogether until 2014. Indeed, some employers should view the delay as a renewed opportunity to do some compliance planning, without the

While some



## **Personnel Matters**

## "It's like bleeding to death from 1,000 paper cuts..."

By Grant Lewis, Executive Coach, Full Contact Leadership Development, LLC

"It's like bleeding to death from 1,000 paper cuts," a client once remarked when asked about the impact of poor leadership behaviors in the workplace. The "paper cuts," he explained, were the seemingly small but detrimental results of employee disengaging and "checking out," on the job—for a variety of reasons, they are no longer inspired to work to their full potential.

Disengaged employees can take many forms: they come in late and leave early or do just enough work to stay under the managerial radar. Many are discontent, complaining, not participating and behaving in a counter intuitively when it comes to corporate culture and improvement. Beyond simply bothersome, these actions ultimately lead to general malaise, poor performance and a reduced productivity—and as these "paper cuts" continue and employees act out further, the company, its leaders and its workers continue to bleed pride, resources, talent, revenue and/or reputation until there is simply nothing left.

Just how many employees and businesses are "bleeding to death?" Countless: less than 30% of U.S. employees consider themselves "engaged."; 50% are present, but neither engaged nor inspired in their work and a jaw-dropping 20% are actively disengaged spreading discontent throughout the workplace.

In his introductory remarks for Gallup's "State of the American Workplace: Employee Engagement for U.S. Business Leaders" report, Chairman & CEO Jim Clifton called out this corporate epidemic, noting that poor leadership behaviors exhibited by "managers from hell" are the root of the disengagement problems. Perhaps the leader is aware of his/her behavior and chooses not to change, or perhaps he/she is well-intentioned but ill-equipped—no matter the reason, poor behaviors such as overcontrolling tendencies, short tempers, passive aggression, dramatic inconsistencies, self-absorption, not listening, not respecting other people's opinions, etc, negatively impact productivity, safety, quality, and profitability.

Leadership behavior is the essential foundation for workplace satisfaction and positive performance. The way in which a leader conducts themselves when interacting with colleagues and subor-

dinates, specifically, creates an emotional attachment that bond organizations. Create strong, productive bonds and the end result is equally con-



structive. Create weak, fickle ties and the organization similarly suffers.

The final "death" in this analogy is Turnover, to the tune of \$11 billion annually. For the individual company this equates to 150% of a resigning employee's compensation. While the cliché "everyone is replaceable" is certainly true, it is costly.

If these cost implications—this bleeding to death—is not grim enough, prior to their turnover disengaged employees as recently reported by Gallup cost U.S. businesses up to \$550 billion in lost productivity.

No matter your stance on these behavioral best practices, all leaders and decision-makers can readily agree that disengaged employees are a financial drain. It is time to stop bleeding revenue, talent and productivity, and it's time to start correcting foundational issues among organizational leadership. Where to start? With a plan:

Develop and distribute your company's Engagement Strategy, which will included management's expectations, plan for improvement and measurement options.

Plans must begin with open, honest conversations and assessments with key leaders, and then together identify specific actions for each one to address and tactical ways to correct unhealthy behaviors.

One-on-one coaching for essential leaders can be a critical piece of the equation. Beyond this, owners and executive leadership must make a firm commitment to listen to employees, understand that they want to feel worthwhile and that they are making a difference

Lastly, clean out the actively disengaged apples in the barrel—there will always be a few.

For business owners and executive decision-makers your options are to ignore the situation, give issues some cursory lip service or commit yourself to stop the bleeding. If you decide to dig deeper and find that solution, remember lead by example—actions speak louder than words.

Grant Lewis, Executive Coach, Full Contact Leadership Development, LLC, Poughkeepsie, NY

SOURCE: Gallup, "State of the American Workplace: Employee Engagement for U.S. Business Leaders," 2013.



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# **More Personnel Matters**



# Implications of Study Finding Majority of Adults Online Use Social Networking Sites

From www.jacksonlewis.com, a Council of Industry Associate Member

According to a Pew Research Center study, the percentage of adults online who say they participate in social networking has increased significantly from 8% in 2005 to 72% in 2013. Adults (aged 18 and older) in all age groups contributed to the increase. Moreover, Pew reports that "those ages 65 and older have roughly tripled their presence on social networking sites in the last four years — from 13% in the spring of 2009 to 43% now."

This rapid transformation in our society, fueled by technology, is a clear indication that an increasing proportion of the workforce likely is regularly engaged in social media activity for both personal and business purposes. Many employers' existing workplace policies and procedures have not kept up with this technological and societal trend. Regulating employee social networking activity can be a legal minefield, but the increasing presence of employees in these media compels employers to address the workplace issue now.

Here are some common questions employers have about workplace social networking policies – and answers:

Should our discrimination policies cover on-line activity? — Yes.

We want our employees to promote our products and services online. Are there any legal restrictions we need to consider? — Yes, there are a number. For example, the Federal Trade Commission (FTC) has promulgated guidelines addressing appropriate online endorsements (available at http://www.ftc.gov/). In addition, companies in the finance industry may have Financial Industry Regulatory Authority, Inc. (FINRA) and Securities and Exchange Commission obligations.

We do not want employees posting all over Facebook, LinkedIn and Twitter disparaging comments about the company. Can we prohibit that?

— No. Regardless of whether your workplace is unionized or not, doing so could put you in hot water with the National Labor Relations Board.

Some of our managers like to review applicants' public social media profiles. Are there any risks?



— There can be. For example, if the applicant's profile includes information about the manifestation of disease in his or her family members (including the applicant's spouse), dig-

ging deeper could expose the company to a discrimination claim under the Genetic Information Nondiscrimination Act (GINA).

It seems a good idea to screen more applicants' social media accounts before making offers of employment, so we have included a place on our job application for the individuals to put usernames and passwords to all their social networking accounts. Is this a good risk avoidance strategy? — Probably not. Many states have passed or are considering laws that prohibit employers from asking employees or applicants for this information. (See our article, New Nevada Law Restricts Employer's Access to Personal Social Media Accounts of Employees, Job Applicants.)

Can we at least prohibit employees engaged in social networking from disclosing all of the company's confidential information? — Any prohibition should not be stated broadly, but should be drafted narrowly to include only information that would not infringe on an employee's right to engage in "protected concerted activity" under the National Labor Relations Act (which, very generally, is an employee's right to commiserate with other workers about working conditions).

Regulating employee social networking activity can be a legal minefield, but the increasing presence of employees in these media compels employers to address the workplace issue now.

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# **Legislative Matters**

## Senate Vote Puts NLRB at Full Strength

By Tammy Binford from HRHero.com

The U.S. Senate's July 30 vote to confirm nominees for all five seats of the National Labor Relations Board (NLRB) means the Board will have a full slate of confirmed members



for the first time in more than a decade.

Republicans Harry I. Johnson III and Philip A. Miscimarra and Democrats Kent Hirozawa and Nancy Schiffer were confirmed for first-time membership on the Board. The Senate also voted to confirm current Board Chairman Mark Gaston Pearce for a second term. His first term expires on August 27.

Johnson and Miscimarra are partners at law firms that represent employers. Schiffer is a former associate general counsel of the AFL-CIO, and Hirozawa has been serving as chief counsel to Pearce.

The road to full membership has been rocky for the NLRB, which is tasked with upholding the National Labor Relations Act (NLRA). Since July 2012, the normally five-member Board has had just enough members—three—to maintain a quorum. But the status of two members was uncertain after a federal appeals court's ruling on January 25, 2013, declared their appointments unconstitutional. The members—Democrats Sharon Block and Richard Griffin—went on the Board as recess appointments on January 9, 2012.

The normal process for filling NLRB vacancies is for the president to send nominations to the Senate for confirmation. When the Senate didn't take action on President Barack Obama's nominees, he used a constitutional provision that allows the president to put members on the Board without confirmation when the Senate is in recess.

### Continued on page 14



### Federal Appeals Court Upholds NLRB's 'Micro-unit' Rule

From www.jacksonlewis.com, a Council of Industry Associate

A U.S. appeals court in Cincinnati has upheld the National Labor Relations Board's decision in Specialty Healthcare and Rehabilitation Center, 357 NLRB No. 83 (2011), allowing unions to organize in small units of employees, where their likelihood of success is heightened. Kindred Nursing Centers East f/k/a Specialty Healthcare and Rehabilitation Center of Mobile v. NLRB, Nos. 12-1027/12-1174 (6th Cir. Aug. 15, 2013). The Board's win is seen as giving encouragement to unions attempting to gain footholds in industries and businesses where inroads for organized labor have been difficult in the past.

In Specialty Healthcare, the Board agreed with a petitioning union to conduct an election in a unit comprised solely of that nursing home's Certified Nursing Assistants (CNAs). Prior to this case, the Labor Board almost always determined the composition of a bargaining unit using a "community-of-interest" standard that resulted in the inclusion of other positions, such as dietary aides and housekeepers, that reflected the working interrelationship of these employees in the facilities' operations. Such "service and maintenance units" became the norm. In 2011 decision, however, the Board adopted a new standard that would apply across all industries. From then on, the NLRB would approve whatever unit the union requested (assuming it had some rational basis) unless the employer could show that the jobs excluded had an "extraordinary community of interest" with those covered in the request. It was (and still is) unclear exactly how this test can be met, but it is clear that it is a very high threshold.

Why was this important? Because unions can more readily win elections if they can "cherry pick" the job classifications allowed to vote. Employers objected strenuously. The Board's new standard, they said, could easily result in a company having many unions and collective bargaining agreements at a single location, making peaceful labor relations uncertain and smooth operations much more difficult. The term "micro-units" gained currency.

The employer in Specialty Healthcare sought judicial review in the U.S. Court of Appeals for the Sixth Circuit. Numerous employers and business organizations appeared as friends of the court (contributors to this blog represented some of them) and filed briefs. In its opinion, however, the Court rejected every argument pressed by the employer and its supporters, finding:

The NLRB's "clarification" of the community-of-interest standard was not arbitrary, unreasonable, or an abuse of discretion.

The Board did not abuse its discretion by adopting a general rule through adjudication instead of rulemaking — the Board is not precluded from announcing new principles in an adjudicative proceeding.

# **Manufacturing Matters**



### **Showcase Modern Manufacturing This October**

By Ned Monroe, Senior Vice President, External Relations, National Association of Manufacturers (NAM)



Manufacturing in the United States faces all sorts of roadblocks, but many manufacturers say the lack of a skilled workforce is their largest hurdle. A recent report from the Manufacturing Institute and Deloitte shows that as many as 600,000 manufacturing jobs are going unfilled because employers can't find workers with the right skills. Manufacturing is not just critical to the U.S. economy—it is also a way of life and an integral component of our national identity. However, this talent shortage threatens manufacturers' ability to

innovate, create jobs and compete in the global marketplace.

That is why the National Association of Manufacturers (NAM) is once again supporting the second-annual Manufacturing Day on Friday, October 4. Manufacturing Day is a national event where manufacturers in the United States open their doors to show that 21st-century manufacturing is a highskilled, sleek, technology-driven industry that offers good-paying jobs and fuels the economy. Manufacturing Day is the perfect time to draw attention to the outstanding opportunities that a manufacturing career can provide and give future talent firsthand experience with the real world of manufacturing. Manufacturing Day is coproduced by the NAM; the Manufacturing Institute; the Fabricators & Manufacturers Association, International; and the National Institute of Standards and Technology's Hollings Manufacturing Extension Partnership.

Last year, more than 240 events were held in manufacturing facilities in 37 states, with more than 7,000 people participating. This year's event will again feature open houses, tours, career workshops and other activities to increase public awareness of manufacturing.

Can we count on you to open your shop floor to showcase the bright promise of manufacturing for tomorrow's workforce? Visit the Manufacturing Day website to schedule your company's event and to access our easy-to-use resources.

At the same time that manufacturers are registering to hold an open house, hundreds of schools and colleges are also registering to take a field trip to a manufacturing facility. Students who are considering a manufacturing career want to visit manufacturing plants. Through the website, students and educational institutions can be matched to their local manufacturing facilities to best coordinate these visits.

Hosting an open house provides you with an opportunity to tell your company's story, dispel outdated myths about manufacturing, inspire a new generation of manufacturers and connect with your communities, students and elected officials. Here are six easy steps that can help lead to a successful Manufacturing Day event:

- Mark your calendar (October 4, 2013)
- Visit www.mfgday.com to register your event and decide how your plant should be involved.

# Manufacturing Day Event October 4th at Mount Saint Mary College in Newburgh

Hudson Valley Manufacturers are invited to join in a local Manufacturing Day event at Mount Saint Mary College in



Newburgh, NY on October 4th. The CGAM Technology & Manufacturing Conference will feature a presentation by Michael Molnar, director of NIST Advanced Manufacturing Office, and director of Advanced Manufacturing National Program Office. Ed Reinfurt, the director of Empire State Development 's (ESD) Division of Science, Technology and Innovation (NYSTAR) will also speak...

There will be a panel discussion featuring CEOs from a variety of successful Hudson Valley manufacturing firms. Watch the Council of Industry Weekly Update for more information including registration forms which will be available in the near future.





### **EHS Matters**

# Environmental and Energy: NYSDEC Proposes Revisions to Petroleum Bulk Storage and Chemical Bulk Storage Regulations

From BSK.com, Bond, Schoeneck & King LLP, a Council of Industry Associate Member

Other major changes in the PBS regulations include modifications of definitions to conform to the New York State 2008 statutory changes.

On July 31, 2013, the New York State Department of Environmental Conservation ("NYSDEC") announced the availability of draft revisions to the Petroleum Bulk Storage ("PBS") and Chemical Bulk Storage ("CBS") regulations for public comment.

The draft revisions to the PBS regulations are intended to make them consistent with the federal regulations governing underground storage tanks ("USTs") to consolidate and simplify compliance. Other major changes in the PBS regulations include modifications of definitions to conform to the New York State 2008 statutory changes. For



example, "facility" is now defined as the property on which the tanks are located, rather than as it appears in the current rules, the tanks themselves. As a result, the property owner, not the tank owner, is responsible for tank registration. The term "petroleum" has been expanded to include synthetic forms of certain oils, including lubricating, dielectric, insulating, hydraulic and cutting oils.

The draft revisions to the CBS regulations would clarify the reportable quantity ("RQ") provision such that the RQ will apply to a release of a hazardous substance that occurs within any 24-hour period, making this provision consistent with federal release reporting requirements. The existing regulations require reporting anytime a RQ is exceeded, regardless of the length of time during which the release occurs. Additionally, the list of hazardous substances is being updated to be consistent with CERCLA (40 CFR 302.4). Other proposed changes in the CBS regulations include requiring operator training for USTs (operators will have one year to complete initial training and testing) and certain delivery prohibitions.

Comments can be sent to NYSDEC through September 20, 2013. NYSDEC will host a live webinar on August 14, 2013 from 10:00 a.m. to Noon and a public information meeting on September 10, 2013 at its office at 625 Broadway in Albany from 10:00 a.m. to Noon.

Further information regarding the draft regulations, webinar and public information meeting can be found on the NYSDEC's website: http://www.dec.ny.gov/chemical/92526.html

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Sept 18	<u>Lean Six Sigma Greenbelt Training Begins</u> — 8:30 am—4:30 pm at Dutchess Community College in Poughkeepsie, NY. Cost \$3,700 single person, \$3,300 each for two participants, \$2,997 each for three or more.
Sept 19	<b>DOT Hazardous Materials Training</b> —8:30 am—12:30pm at a location to be determined. Cost: \$120 single member, \$110 each two or more from the same company.
Sept 20	HR Sub-council: Planning for the Employer Mandate Under the Affordable Care Act—8:30—10:00 am at Simulaids, Saugerties, NY. No cost for members.
Oct 3	RCRA Hazardous Waste Training- 8:30 am—12:30 pm at Chemprene, Beacon, NY. Cost: \$120 single member, \$110 each two or more from the same company.
Oct 4	Manufacturing Day: CGAM Technology & Manufacturing Conference—Mount saint Mary College, Newburgh, NY. More info TBA.
Oct 17	<b>HAZWOPER</b> — 8:30 am—4:30 pm at a location to be determined. Cost: \$240 for a single member, \$220 each for two or more from the same company.
Oct 29,30	OSHA 10 Hour—8:00 am—1:00 pm at Chemprene, Beacon, NY. Cost \$120 for a single member, \$110 each for two or more from the same company.
Nov 1	Annual Luncheon and Member/Associate Member Expo

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

# 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 <a href="mailto:abutler@councilofindustry.org">abutler@councilofindustry.org</a> for more info.



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# **More Manufacturing Matters**

### The Master Production Schedule: Master of All Schedules

By John H. Capron, CPIM, ??, Council of Industry Associate Member

The MPS
doesn't
operate in a
vacuum.
It functions
under the
umbrella of
the Production
Plan (PP),
as a detailed
set of
schedules for
discrete,
buildable

products.

The Master Production Schedule (MPS) is the "master of all schedules" used in manufacturing. It sits at the end of a series of planning processes that set its scope, and its output drives the planning to be executed for the manufacturing operations. Its role is to constantly balance the demand for product, with the availability of that product, and the resources needed to produce it. It's also the firewall between unrestrained demand and the manufacturing operation. It's a defined science with a level of depth to it. In this article we will touch on three areas:

- MPS relationships
- data requirements
- MPS assessment

### MPS relationships

The MPS doesn't operate in a vacuum. It functions under the umbrella of the Production Plan (PP), as a detailed set of schedules for discrete, buildable products. The PP is the statement of what the owners of the Sales and Operations Planning (S&OP) process have committed the business to build, therefore, it's the authorization for the expenditure of capital, capacity, material, and labor. It sets the authorized boundary for the MPS to work within.

Figure 1

Production Plan PR11 SVGA Projector Family									
1 2 3 4 5 6 7 8 Tot									Total
Production Rate	(	20	0	20	0	20	0	20	80
Actual Demand	(	20	0	16	0	8	0	0	44
A-T-P	(	0	0	4	0	12	0	20	36

Master Production Schedule		RD11 Red Options Components								
		1	2	3	4	5	6	7	8	Total
Forecast		0	0	0	0	0	0	0	0	0
Production Forecast		0	0	0	2	0	6	0	10	18
Actual Demand		0	12	0	7	0	5	0	0	24
Total Demand		0	12	0	9	0	11	0	10	42
Projected Available Balance	0	0	0	0	0	0	0	0	0	0
A-T-P		0	0	0	2	0	6	0	10	18
MPS		0	12	0	9	0	11	0	10	42

Master Production Schedule BB11 Baby Blue Options Components										
		1 2 3 4 5 6 7 8							8	Total
Forecast		0	0	0	0	0	0	0	0	0
<b>Production Forecast</b>		0	0	0	2	0	6	0	10	18
Actual Demand		0	8	0	9	0	3	0	0	20
Total Demand		0	8	0	11	0	9	0	10	38
Projected Available Balance	0	0	0	0	0	0	0	0	0	0
A-T-P		0	0	0	2	0	6	0	10	18
MPS		0	8	0	11	0	9	0	10	38

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Above is a two member family example (discrete, forecasted family demand, with option choices) of what a Master Scheduler should have visibility to (Figure 2). The top section is the PP for the family. The remaining two sections are the MPS for each family member.

Continued on next page



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An effective

MPS process

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If the MPS

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operation.

By Product Family, the PP displays the aggregate Production Rate, Actual Demand, and the Available-To-Promise (A-T-P) by time period for all family members.

At the Master Schedule level, each buildable product has service and order forecasts, and actual demand records. Total Demand, Projected Available Balance, and A-T-P records are calculated. The MPS quantities by time periods are "where the rubber meets the road" and are under the control of the Master Scheduler. These are what Material Requirements Planning (MRP) will use as its independent demand to begin the material planning process. There are feedback loops between Business Planning, Aggregate Sales Planning, Production Planning, and Master Production Scheduling. Feedback is constantly going on in this environment, but when the MPS is released to MRP, that's a one way street.

### Trusted Source Data - Data with an accountable owner

A Trusted Source Data is guaranteed by its owner to be accurate. This means the data has a responsible owner, and a management chain of command that is accountable. The Master Scheduler has two ways of getting the information he/she needs:

- through heroic effort
- via an accurate/disciplined information system

For the MPS process, here are the Trusted Sources of Data (input) that a Master Scheduler needs:

- Monthly rate by Product Family (PP) records
- MPS Item Forecasts records (normally the product of a Planning Bill of Material)
- MPS Item Backlog records

•	MPS Item Record Plan-
	ning Parameters

- MPS Item OnHand Inventory records
- Key Material Availability records
- Key Capacity Availability records

MPS Effectiveness Assessment	Yes or No
Monthly Rate by Product Family - Trusted Data? (Yes=1 No=0)	1
MPS Item Forecasts - Trusted Data? (Yes=1 No=0)	1
MPS Item Backlog - Trusted Data? (Yes=1 No=0)	1
MPS Item Record Planning Parameters - Trusted Data? (Yes=1 No=0)	1
MPS Item OnHand Inventory Record - Trusted Data? (Yes=1 No=0)	1
Key Material Availability - Trusted Data? (Yes=1 No=0)	1
Key Capacity Availability - Trusted Data? (Yes=1 No=0)	1
Assessment [(sum of yes/no values/7)*100]	100%

Figure 2

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150

### Assessing our MPS process

8

Here's an MPS Effectiveness Assessment model you can use (Figure 2). In each identified area, respond to the Trusted Data question. Trusted Data (assumes the business is using an ERP system) implies that the Master Scheduler can totally trust this information, and not have to waste cycles in performing workarounds (like chasing down people) to get what he/she needs. The lower the percentage, the less capable the business is in supporting a disciplined MPS process.

This short article only scratches the surface of this topic introducing the MPS, its value to the organization and its functional relationships. The importance of accurate data was highlighted, and an effectiveness assessment model was provided. An effective MPS process for a manufacturing operation demands a high level of adherence to defined fundamentals. If the MPS process is chaotic, then operational issues will be like a cancer metastasizing throughout the manufacturing operation.



**Energy Matters** 



It may be worth acting now because energy markets are unpredictable and market conditions and pricing can change quickly. Currently, forward pricing is showing value, and once you lock in, you can enjoy stability and predictability in your energy supply budget for the length of your contract term.

### **Energy Buying Strategy: The Case to Lock In Now**

By Hans Rottmann, Senior Manager of Market Intelligence, Direct Energy Business, a Council of Industry Associate Member

Summer weather and related price volatility is winding down and energy supply prices have fallen primarily due to mild temperatures and the ongoing strong natural gas storage injections. In fact, in August we've seen 6-month lows for near-term natural gas futures prices and alltime lows for longer term Calendar Strips.

It may be worth acting now because energy markets are unpredictable and market conditions and pricing can change quickly. Currently, for-



ward pricing is showing value, and once you lock in, you can enjoy stability and predictability in your energy supply budget for the length of your contract term.

Here are some things to consider as you make decisions about your energy supply buying strategy:

- NYMEX Natural Gas Futures, a key driver of power prices, have seen significant declines recently.
- Mild weather and strong storage injections cannot be counted on to continue.
- Waiting until fall or winter to execute your buying strategy is especially risky in New England. Gas pipeline constraints that plagued the region last winter (and still haven't been resolved) may once again cause volatility and price spikes for gas and power prices during the winter months.
- Long-term fundamentals are bullish compared to near-term fundamentals, due to EPA regulations, liquefied natural gas (LNG) exports and increased industrial demand, so the extent of long-term declines could be limited, regardless of near-term movements.

More downside is possible, but we do not expect a repeat of 2012 prices, as price support (i.e. increases) should eventually come if we sustain lower gas prices. For instance, as natural gas prices decrease, generators switch from coal- to gas-fired generation units increasing the demand for natural gas. As well, natural gas producers, specifically shale drilling, may cut back because the price of gas doesn't support the cost of production.

Picking the bottom of the market is extremely difficult and market volatility can be sudden and unforgiving. There are many factors that go into pricing such as the weather, market fluctuations, time of year and more. The energy market is a dynamic one, and there are individuals at

Direct Energy Business dedicated to keeping a close watch on it every day to help mitigate risk for customers. And they can help you to build a strategy that balances the realities of the market fundamentals with the needs of your business. Get started today! Call 203-230-5600 for more information.



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## **Member Benefits**



## Annual Luncheon & Expo will be Nov. 1

The Council of Industry's Annual Luncheon & Expo will be held on November 1st at the Powelton Club in Newburgh, NY. This event is an excellent time to meet and network with other Hudson Val-

ley Manufacturers and their associates. Ned Monroe, senior vice president of external relations for the National Association of Manufacturers will be the keynote speaker. You can reserve a seat on the Council of Industry Website, \$50 per person or \$350 for a table of eight.

The Expo portion of the event is an excellent opportunity for members and associate members to display the products and services their companies specialize in. Space is limited and we do not charge to be part of the expo but we do require companies to purchase two seats to attend the Luncheon.

This year's speaker, Ned Monroe, is responsible for public affairs activities, including grassroots engagement, issue advocacy and election programs for the National Association of Manufacturers. The NAM is the nation's largest industrial trade association, representing nearly 12,000 manufacturers in every industrial sector and in all 50 states. See Ned's article on page 7 of this newsletter.



Members and associate members can display their products and services at the Expo.

page 7 of this newsletter.

In addition, the Certificate s in Manufacturing Leadership will be presented to 19 individuals that have completed the Council of Industry's program for Manufacturing supervisors at Dutchess Com-

This event has sold out in the past so please reserve your seats early. Sponsorships are also available. We would like to thank our supporting sponsor TD Bank. Follow this link to register online :www.councilofindustry.org/events.html#luncheon or contact Alison Butler at abutler@councilofindustry.org for more information. For sponsorship information go to: www.councilofindustry.org/event-sponsorship-opportunities.html.

This year's speaker, Ned Monroe, is responsible for public affairs activities, including grassroots engagement, issue advocacy and election programs for the National Association of Manufacturers.

# **Consumer Price Index for July 2013**

				<u>Point</u>	<u>%</u>	% Increase		
Wage Earners & Clerical	<u>Jul. '12</u>	<u>Jul. '13</u>	Jun '13	<u>Increase</u>	<u>Month</u>	<u>Year</u>		
1967=100	671.90	685.35	685.10	0.25	0.0	2.0		
1982-84= 100	225.57	230.08	230.00	0.08	0.0	2.0		
All Urban Consumers								
1967=100	686.29	699.75	699.47	0.28	0.0	2.0		
1982-84=100	229.10	233.60	233.50	0.09	0.0	2.0		
Hudson Valley unampleyment rate for July 2010 - 6.6%								

Hudson Valley unemployment rate for July 2013 = 6.6%

## 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 or call (845) 565-1355 for more information.



# Continued from page 7 Manufacturing Matters

- Invite local students, educators, schools and educational institutions.
- Invite local media, lawmakers, businesses and community members and institutions.
- Follow Manufacturing Day updates on social media.
- Showcase your plant and manufacturing on Oct. 4th

Once you've registered your event on the website, you will have access to a user dashboard with resources like an event planning kit, social media toolkit and customizable posters and press release templates. These resources will become available as we move closer to October.

If October 4 is not convenient for your company, feel free to host an event on a different date in October. However, if you have to hold an event in September or November, please add it to the online registry on the website to notify your local community and demonstrate your support for the movement.

Together, we can continue to address the skilled labor shortage and ensure the success of future generations in a manufacturing career. Manufacturing makes America strong!

For more information, please contact Meredith Nethercutt, director of public affairs and grassroots advocacy, at mnethercutt@nam.org.

**Editor's Note:** The author of this article, Ned Monroe, will be the keynote speaker at the Council of Industry's Annual Luncheon & Expo on Nov. 1st. For more info see page 13.

### Continued from page 6 Legislative Matters

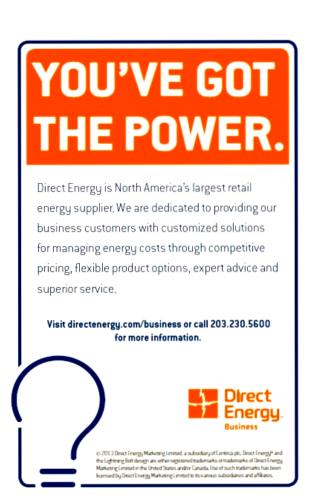
The Senate was on a holiday break when Obama made the recess appointments, but the body wasn't in an official recess because it remained in pro forma session, meaning some kind of action was taken at least every few days even though most senators were on break.

The administration argued that the Senate was essentially in recess, but the U.S. Court of Appeals for the District of Columbia Circuit ruled that the recess appointments were invalid because the Senate wasn't in an official recess. The NLRB asked the U.S. Supreme Court to review the appeals court's decision, and in June, the high court agreed to hear the case. A ruling is expected in 2014.

After the D.C. Circuit ruled that Block's and Griffin's appointments were invalid, Obama sent the nominations to the Senate for confirmation, but the nominations weren't acted on after the two nominees faced opposition because they remained on the Board after the court ruled that their appointments were unconstitutional. Obama then dropped the Block and Griffin nominations in favor of Hirozawa and Schiffer.



Ned Monroe, senior vice president of external relations for the National Association of Manufacturers .



# **More Legislative Matters**



# U.S. Job Creation and Manufacturing Competitiveness Act of 2013—Why the MTB is Important

Across the country both manufacturers and the unemployed are eagerly awaiting congress to pass the U.S. Job Creation and Manufacturing Competitiveness Act of 2013, also known as H.R. 2708, the Miscellaneous Tariff Bill (MTB). If approved this bill would suspend import tariffs on products that have no domestic competition allowing U.S. industry to purchase these materials at lower prices, thereby lowering costs and opening doors for growth and jobs.

This is not a new concept. MTBs have been a mainstay of the U.S. government trade policy for decades. The bills provide three year temporary reductions or suspensions of duties on



certain U.S. imports as well as permanent technical corrections to the U.S. Harmonized Tariff System. Its primary purpose is to help manufacturers compete both domestically and internationally. Unfortunately, manufacturers have been operating without an MTB for nearly 200 days, which has meant higher costs and, in some cases, a reduction in employees' hours and even layoffs.

"The MTB provides a real booster for our economy," says David Olave, director of international trade and government relations for leading international trade law firm Sandler, Travis & Rosenberg, P.A. "The National Association of Manufacturers estimates that if Congress fails to pass H.R. 2708, the result will be economic losses of over \$1.85 billion over the next three years. This could do great harm to the country's economic recovery and the first to feel that negative impact would be American workers."

Manufacturers urge the House to take further action on this bipartisan bill as quickly as possible. Without the MTB, production costs will increase substantially, damaging our nation's competitiveness.

"I applaud Chairman Camp for introduction of the MTB. It is commonsense legislation Congress can act on to keep manufacturing in the United States strong," said NAM Vice President of International Economic Affairs Linda Dempsey. "Each day that passes without an MTB hurts manufacturing in the United States and threatens jobs. Failure to act will result in a whopping \$748 million tax on manufacturing in the United States and economic losses amounting to \$1.857 billion over the next three years."

Last year, Congress failed to act on Miscellaneous Tariff Bill (MTB) legislation, and as a result, manufacturers have been paying substantially higher taxes on essential manufacturing inputs since January 1. These higher costs hurt manufacturers' competitiveness in the global economy and threaten job creation and growth.

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