

CI NEWSLETTER

The Council of Industry of Southeastern New York

December 2008

The Manufacturers Association of the Hudson Valley

Volume 12 Issue 11

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The Council of Industry would like to thank the generous sponsors of our Annual Luncheon & Member/Associate Member Expo:

AMI Services, Inc./Armistead Mechanical, Inc.;
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Vanacore, DeBenedictus,
DiGiovanni & Weddell;
Verticon Construction Service

The Council of Industry's Annual Luncheon and Member/Associate Member Expo

The Council of Industry held its Annual Luncheon and Member/ Associate Member Expo on Friday, November 14, at the Powelton Club in Newburgh, N.Y. The Luncheon featured keynote speaker Timothy Lugbill, Assistant Vice President of Government Relations for The National Association of Manufacturers (NAM), who discussed the November election results and their impact on the manufacturing industry.

The event opened with the Council of Industry's Member/ Associate Member Expo. Companies displayed their products and services to the 125 guests from manufacturing and manufacturing related business located throughout southeastern New York. There were seventeen expo booths featuring a variety of products, from industrial vacuum cleaners to heating and cooling systems and services such as energy providers, commercial insurance, job placement, and consulting. The local community colleges had a booth as well.

As part of the festivities, thirteen individuals from manufacturing companies throughout the Hudson Valley were honored for completing their Certificate in Manufacturing Leadership. This award represents the completion of over forty hours of coursework and comprehensive training in leadership and management.

Manufacturing remains vital to the overall health of the Hudson Valley economy. Manufacturing jobs pay more on than other sectors of the economy and typically include generous benefits. Furthermore, our manufacturers sell their products throughout the world, bringing capital into the region. New

York State manufacturers in the Hudson Valley, however, face some of the highest overhead costs in the world. Corporate taxes, property taxes, energy, health care and the high cost of regulatory compliance all conspire to put local manufacturers at a distinct disadvantage to their competitors around the nation and the world.

After lunch, Timothy Lugbill touched on some of the key issues facing both manufacturers and legislatures in the near future. He examined the new administrations po-

tential stance on topics such as the deteriorating economy, the Columbia Free Trade Agreement, the Employee Free Choice Act, and the possible bailout for the automotive industry. Mr. Lugbill said that the NAM

will work with Congress and the new administration to promote a pro-manufacturing agenda, although he held out little hope that change would occur to improve the current cost disadvantage.

As the luncheon concluded, the Hudson Valley manufacturers and their associates left the Powelton Club with a firm understanding of the challenges and opportunities that lie ahead.



Keynote speaker Timothy Lugbill from the National Association of Manufacturers.



Some of the Manufacturing Leadership Certificate Recipients: (not in order) Tracy Haws, Karen Mottsey, and LaMarr Joseph from Alcoa Fastening Systems; Henry Bautista from Balchem Corporation; Jeannine Curry from Chemprene; Greg Davies from EFCO Products; Vince Sauter from Fala Technologies; James Barra, Vincenzo Denaro, and Maria Santos from Zeirick Manufacturing Corporation.

Training and Education

The Council of Industry recognizes that knowledge is a powerful tool in making smart decisions, which is why we are teaming up the SUNY New Paltz School of Business to offer a series of eight executive strategic management seminars.

New Executive Strategic Management Seminars Offered in 2009

With the current state of the economy and the increasingly competitive global business climate, it is important for manufacturing executives to make smart choices and informed decisions. Companies are reviewing business strategies and looking for innovative ways to cut costs and increase profit. Executives are questioning their distribution models, reassessing how they are investing their capital, exploring different options for marketing their products and asking how they can become a more effective leader within their company.

The Council of Industry recognizes that knowledge is a powerful tool in making smart decisions, which is why we are teaming up the SUNY New Paltz School of Business to offer a series of eight **executive strategic management seminars**. These are courses taught by the School of Business faculty and parallel their MBA capstone course "Cases in Strategic Management." The seminars will be held at the SUNY New Paltz campus from January through March, on Tuesday evenings from 4:30 through 8:30 and include a working dinner. These seminars will be taught along the lines of the Harvard Business School *Case Studies Model* that affords participants the opportunity to discuss and learn from real life management challenges.

The Strategic Management Series is intended for senior level staff, to develop insights into the company, the customers, the processes and the employees. Topics covered in the series include: Strategic Decision Making; Corporate Level Decision Making; Business Level Strategies; Human Resource Strategies; Strategic Talent Management; Global Business; Capital, Accounting and Finance Strategies; and Authentic Leadership and Wrap Up.

It is possible to register for the entire series or for an individual seminar. The cost for one person from a member company for one class is \$125, for two or more it is \$100 each. To register for the entire series for one person the cost is \$900 or \$750 each for two or more people for the same company. If you would like more information, or to register, please contact Ana Maria Murabito at anamaria@councilofindustry.org, or call the Council office at (845) 565-1355. The first seminar begins on January 20th.

Early Bird Special: 2009 Certificate in Manufacturing Leadership Training

The Council of Industry has offered quality supervisory training to its members in the Hudson Valley for over 20 years. The Certificate in Manufacturing Leadership is a comprehensive group of courses that prepares supervisors for their challenging positions at manufacturing facilities.

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

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

	Single Member	Two or More From Same Company
One Day Course	\$185.00 before \$170.00 with discount	\$160.00 before \$145.00 with discount
Fundamentals of Leadership	\$370.00 before \$350.00 with discount	\$320.00 before \$300.00 with discount
Entire Program	\$1,600.00 before \$1,500.00 with discount	\$1,400.00 before \$1,350.00 with discount

To register and pay online go to the Council of Industry's website:
www.councilofindustry.org.

For more information or to make other registration and payment arrangements email Ana Maria Murabito at anamaria@councilofindustry.org

Council News

How to Save Money on your Car and Homeowners Insurance Just By Working for a Council of Industry Member Firm

Have you taken advantage of the Council of Industry's Affinity Insurance program through Ryan Insurance yet? It has been just over a year since we first introduced this exciting program which leverages the more than 8,000 employees of the Council's 140 members, to offer considerably discounted rates through Ryan Insurance's Travelers Benefits Plus.

The Affinity program is available to all employees of Council of Industry member companies, and several have already signed up and are saving money. Angela and Miguel Duarte are both employed at Council member companies. Angela is employed by Ultra Seal and Miguel is a production manager for Brooklyn Bottling, and as first time home buyers they were unaware of the steep price of home insurance. They shopped around and got quotes from numerous other companies, but none of them matched the discount they were eligible for under the Affinity program. The Duartes were very happy with a savings of \$300 from the closest competitor's quote.

Those employees that combine their homeowners and auto insurance stand to save even more.

Ana Maria Mura-bito, Director of Programs and Training for the Council of Industry, recently switched both her car and homeowners insurance to the Travelers Benefits Plus program through Ryan Insurance. With the Affinity program discount, Ana Maria was able to save over \$400 from the rates she was previously paying with another company. "I am very happy with my savings and with the excellent service," Ana Maria explained. "It was easy to switch my coverage and the staff at Ryan Insurance was very helpful and answered all my questions."

If you haven't looked in to this program now is an excellent time to find out if you too could save money on your homeowners and auto insurance. This is also an excellent benefit to pass along to the employees of your company. For more information go to

the Council of Industry website and select Affinity Insurance under the Member Discount Programs or contact Walter Sierra at Ryan Insurance.



Ryan Insurance is a full service agency and that's why they retain so many of their clients. Walter Sierra's background is in personal lines insurance, family life planning and safety & security seminars. We are pleased to make the introduction and urge you to contact them today for a meeting how they can help with this great benefits program.

Walter be reached directly at (845) 338-6000 ext.3964 (out of area 1-800-724-7463) or e-mail at wsierra@ryaninsurance.com to set up an overview meeting with your HR team today.

Human Resources Sub-council Meeting on New FMLA Regulations

When: Friday, December 12, 8:00 am (date & time is subject to change)

Where: Council of Industry Office, 6 Albany Post Road, Newburgh, NY

Cost: No Cost for Members

Topic: The DOL's Final Rule on the Family and Medical Leave Act

The Department of Labor just released its Final Rule on the Family and Medical Leave Act and we are working on putting together a meeting that will go over the many changes that were made to these sometimes complicated regulations.

Please see the article on page 6 of this newsletter for more information on the new FMLA regulations.

For more information or to register contact Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.



With the Affinity program discount, Ana Maria was able to save over \$400 from the rates she was previously paying with another company. "I am very happy with my savings and with the excellent service," Ana Maria explained.

Legislative Matters

"The Business Council said in April when the budget was passed that New York could not afford the planned spending. The downturn in our economy and the loss of revenue from Wall Street has turned a bad situation into a crisis. Failure to act now will only further magnify the painful choices that will have to be made later," said Adams.

Gov Patterson Calls for Spending Cuts to Address New York's Budget Crisis – Legislature Fails to Act

From The Business Council

New York Gov. David Paterson and more than 200 legislators met in emergency session November 18th to take on what they agreed was a fiscal crisis of historic proportions and – to no one's real surprise – did nothing.

A 90-minute meeting of the Democratic governor and legislative leaders was filled with accusations and some name calling. But they failed to approach any agreement on Paterson's proposed \$5 billion in spending cuts or any alternatives, some of which surfaced for the first time since Paterson called the special session seven weeks ago.

Paterson's plan for midyear cuts in school aid growth, health care and other areas faced fierce opposition from Albany's most powerful lobbying forces, led by teachers and other public employee unions. Outside the Capitol, more than 1,000 demonstrators marched in the cold to protest Paterson's proposals.

In the end, Senate Republican leader Dean Skelos achieved what he wanted against the Democratic governor, the Democratic speaker of the Assembly and the Democratic Senate leader who is in line to control that chamber's majority beginning Jan. 1. Skelos got Paterson to suspend any cuts in the current budget, which has a projected \$1.5 billion to \$2 billion deficit, until at least January. Skelos had said the midyear cuts shouldn't be made without having the governor's full proposal for the 2009-10 fiscal year in hand.



Gov. David Paterson

Paterson plans to present that budget to the Legislature Dec. 16, a month early because of the fiscal crisis. He projects \$47 billion in deficits over the next three years because of the meltdown on Wall Street, too little return of tax revenue from Washington, and what he describes as years of overspending by the state to benefit special interests. Even Paterson, known for using humor to defuse tension, at one point waved a page of paper at Skelos, who he said hadn't come up with any ideas of his own.

The New York State Business Council supports Governor's call for reduced spending.

Gov. David Paterson has presented a plan that makes difficult but necessary choices to reduce state spending to close an unprecedented budget gap that gets worse by the day," said Kenneth Adams, president & CEO of The Business Council of New York State.

"The Governor is correct when he says the state's current fiscal crisis has been caused by years of increased spending at unsustainable levels. The legislature must partner with the Governor and take action next week to face this crisis in a way that reduces New York's addiction to spending," added Adams.

"The Business Council said in April when the budget was passed that New York could not afford the planned spending. The downturn in our economy and the loss of revenue from Wall Street has turned a bad situation into a crisis. Failure to act now will only further magnify the painful choices that will have to be made later," said Adams.

"New York's tax burden is already crushing for businesses and individuals. The state simply cannot tax its way out of this crisis, which has been created by unsustainable spending," said Adams. "Should New York turn to the federal government for help its request will have more credibility if the state can show it has taken action to get its finances in order."

Personnel Matters

Wall Street Crisis: 6 Ways to Manage Employee Concerns About Their 401(k)

From HR.com

The largest employers' association in the state, Capital Associated Industries, Inc. (CAI), says another day of financial woes on Wall Street leads to more employee concerns about the stability of their retirement plan. How can employers help employees maintain confidence in their company and assurance with their benefits plan?

Lynn Unsworth, regional manager of CAI, shares a few tips for employers on how to handle this difficult human resources situation that can have a big impact on employee morale.

1) Don't give employees financial advice. Unsworth says that employers can give employees the resources they need to make decisions, but advises against giving employees advice on selecting stocks and where they should invest their money.

2) Educate employees on their options. Unsworth recommends companies talk with their employees on restrictions and penalties if they want to withdraw money from their 401(k). Employees need to be educated on the mechanics of their plan.

3) Bring in investment advisors to meet with employees. Companies should enlist their plan vendor to work with employees on their individual investment strategies. Employers need to make sure their employees are engaged in a conversation with financial and investment advisors about their 401(k).

4) Help employees avoid looking at their 401(k) performance every day. Employers need to reinforce to employees that a 401(k) is a long-term investment and help them understand they are investing for retirement.

5) Release a benefits statement to all your employees. Employees often underestimate the value in their hidden paycheck. Unsworth recommends employers share with their employees all the benefits they offer to help them learn the value of their paycheck and what vacation and holidays are worth.

6) Reassure employees that their money is safeguarded. Employers should make sure their employees know their 401(k) is audited and heavily regulated by the Department of Labor and IRS. Employees need to be reassured the money they are investing is segregated from the company's general operating funds.

Release a benefits statement to all your employees. Employees often underestimate the value in their hidden paycheck. Unsworth recommends employers share with their employees all the benefits they offer to help them learn the value of their paycheck and what vacation and holidays are worth.

Consumer Price Index - Oct. 2008

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	Oct.'07	Oct.	Sept.	Increase	Month	Year
1967=100	608.66	632.03	640.23	-8.2	-1.3	+3.8
1982-84= 100	204.34	212.18	214.94	-2.75	-1.3	+3.8
All Urban Consumers						
1967=100	625.88	648.76	655.38	-6.62	-1.0	+3.7
1982-84=100	208.94	216.57	218.78	-2.21	-1.0	+3.7
Hudson Valley Unemployment Rate for October 2008 = 5.2%						

More Personnel Matters

Dept. of Labor's Final Rule on The Family and Medical Leave Act

From The NAM Website

On November 17, 2008, the Department of Labor (DOL) published its final rule to implement the first-ever amendments to the Family and Medical Leave Act (FMLA), signed into law by President Bush in January 2008, which provide new military family leave entitlements and to update the regulations under the 15 year-old FMLA. The Final Rule does not reduce the law's coverage for workers who need FMLA leave. Updating and clarifying the regulations will reduce uncertainty and provide greater predictability in the workplace for everyone. These take effect on Jan. 16, 2009.

HIGHLIGHTS OF THE REGULATORY CHANGES IN THE FINAL RULE

Military Family Leave: Section 585(a) of the NDAA amended the FMLA to provide two new leave entitlements:

1. Military Caregiver Leave (also known as Covered Servicemember Leave): Under the first of these new military family leave entitlements, eligible employees who are family members of covered servicemembers will be able to take up to 26 workweeks of leave in a "single 12-month period" to care for a covered servicemember with a serious illness or injury incurred in the line of duty on active duty.

2. Qualifying Exigency Leave: The second new military leave entitlement helps families of members of the National Guard and Reserves manage their affairs while the member is on active duty in support of a contingency operation. The final rule also includes two new DOL certification forms that may be used by employees and employers to facilitate the certification requirements for the use of military family leave.

3. The Ragsdale Decision/Penalties: The final rule includes a number of technical regulatory changes, which invalidated a penalty provision of the regulations. The final rule removes categorical penalty provisions and clarifies that where an employee suffers individualized harm because the employer failed to follow the notification rules, the employer may be liable.

Light Duty: Under the final rule time spent performing "light duty" work does not count against an employee's FMLA leave entitlement and that the employee's right to restoration is held in abeyance during the period of time the employee performs light duty (or until the end of the applicable 12-month FMLA leave year). If an employee is voluntarily performing a light duty assignment, the employee is not on FMLA leave.

Waiver of Rights: The final rule codifies the Department's long-standing position that employees may voluntarily settle or release their FMLA claims without court or Department approval.

Serious Health Condition: The final rule retains the six individual definitions of serious health condition while adding guidance on three regulatory matters.

Substitution of Paid Leave: FMLA leave is unpaid. However, the statute provides that employees may take, or employers may require employees to take, any accrued paid vacation, personal, family or medical or sick leave, as offered by their employer, concurrently with any FMLA leave. This is called the "substitution of paid leave."

Perfect Attendance Awards: The final rule changes the treatment of perfect attendance awards to allow employers to deny a "perfect attendance" award to an employee who does not have perfect attendance because of taking FMLA leave as long as it treats employees taking non-FMLA leave in an identical way.

Employer Notice Obligations: The final rule consolidates all the employer notice requirements into a "one-stop" section of the regulations and reconciles some conflicting provisions and time periods under the current regulations.

Employee Notice: The final rule provides that an employee needing FMLA leave must follow the employer's usual and customary call-in procedures for reporting an absence, absent unusual circumstances. The final rule also highlights (without changing) the existing consequences if an employee does not provide proper notice of his or her need for FMLA leave.

Medical Certification Process (Content and Clarification): The Department has added a requirement to the final rule that specifies that the employer's representative contacting the health care provider must be a health care provider, human resource professional, a leave administrator, or a management official, but in no case may it be the employee's direct supervisor. Employers may not ask health care providers for additional information beyond that required by the certification form. If an employer deems a medical certification to be incomplete or insufficient, the employer must specify in writing what information is lacking, and give the employee seven calendar days to cure the deficiency.

Medical Certification Process

(Timing): The final rule codifies a 2005 DOL Wage and Hour Opinion letter that stated that employers may request a new medical certification each leave year for medical conditions that last longer than one year. The final rule also clarifies the applicable time period for recertification. The final rule allows an employer to request recertification of an ongoing condition every six months in conjunction with an absence.

Fitness-For-Duty Certifications: The final rule makes two changes to the fitness-for-duty certification process. First, an employer may require that the certification specifically address the employee's ability to perform the essential functions of the employee's job. Second, where reasonable job safety concerns exist, an employer may require a fitness-for-duty certification before an employee may return to work when the employee takes intermittent leave.

The Final Rule does not reduce the law's coverage for workers who need FMLA leave. Updating and clarifying the regulations will reduce uncertainty and provide greater predictability in the workplace for everyone.

This article has been shortened to fit this space. For the complete article go to the NAM website or follow this link
<http://www.nam.org/~media/HRP/DOL%20Fact%20Sheet%20FMLA%20Final%20Rule.ashx>

Newsletter Sponsored By



Member Profile

Member Profile: Verticon, Ltd.

Year Founded: 1993

Location: Monroe, N.Y.

Number of Employees: 18

Principle Product /Service: Turn-key construction and renovation packages, specialized warehouse, manufacturing and distribution projects.

Website: www.verticon.net

Several Council of Industry members already know all about Verticon, Ltd. because Verticon has helped to build, expand or renovate their



Irving and Alan Zuckerman, Principals of Verticon, Ltd. at work.

workspace. Since 1993, when Alan and Irving Zuckerman formed Verticon, Ltd., as an independent construction contractor, Verticon has had a hand in the construction of many of the Hudson Valley's most recognizable professional and medical offices as well as several manufacturing buildings and warehouses in the region.

The Zuckerman Family has been in the construction business since 1932, when Barnett Zuckerman, Alan and Irving's grandfather, Harold and Leonard Zuckerman (Alan and Irving's uncle and father) first formed Zuckerman Contracting. The business moved to the Hudson Valley in 1943, and in 1993, when Alan and Irving took over as principals, the name was changed to Verticon, Ltd., but the quality and dedication remained the same.

Verticon is an open shop company utilizing the services of both union and non-union employees, working on projects in the public and private sectors. Verticon is widely respected for its outstanding and top-notch construction of medical office



buildings and continues to expand a corporate portfolio which includes a broad variety of projects for Orange and Rockland Utilities among others. Verticon's client base also consists of many of the top manufacturing and warehouse clients in the region including fellow Council of Industry member Blaser Swiss Lube and Konica Minolta in Goshen, N.Y. In fact, Blaser Swiss Lube has contracted Verticon multiple times for various new construction and renovation projects at its Westgate Business Park facility. Verticon's professional services also include specialized concrete work and assembly, distribution, and executive office projects.

Verticon has invested in the latest technology and has the resources to engage LEED-certified architects into various projects. Verticon boasts a talented team of experts who assess each client's individual needs and vision for upgrades and expansion projects. Verticon, a member of the US Green Building Council, possesses knowledge and expertise in the latest energy-efficient systems, offering its clients the opportunity to incorporate energy saving designs into their projects. In fact, some of the best ways to save money in the long run are by using quality materials, the best techniques from the start, and a company you can rely on.



Verticon, Ltd. built this impressive facility for fellow Council of Industry member, Baser Swiss Lube, in Goshen, NY.

Verticon. Alan and Irving deal directly with each client to ensure their individual needs and goals are met. The majority of Verticon's staff have been with the Zuckerman family for many years. The well-trained and dedicated employees of Verticon continue to deliver quality projects for the client while staying on time and within budget.

The solid reputation of professional and personalized service built by the previous two generations of Zuckerman's remains the key component of Verticon.

EHS Matters

"It's viewed that the (Pollution Prevention) Institute's strategies will have an immediate impact on the environment and will result in significant economic benefits for business and industry throughout the state," explained Thomas G. Phillips, Sr., Executive Director of HVTDC.

HVTDC Named Partner in New York State Pollution Prevention Institute

Hudson Valley Technology Development Center (HVTDC) in Fishkill, helps manufacturing, technology-based and small to mid-sized companies and organizations throughout the region. HVTDC is partnering with the Pollution Prevention Institute to help implement pollution prevention strategies. The State of New York State created the Pollution Prevention Institute, funded by the Department of Environmental Conservation, to help businesses clean the environment, and reduce their costs, by reducing the use of toxic chemicals, cutting waste, and more efficiently using raw materials and energy. The Institute is centered at the Rochester Institute of Technology and is a partnership among Clarkson University, Rensselaer Polytechnic Institute, SUNY at Buffalo and the Regional Technology Development Centers.

"The benefits to New York," explained Phillips, "will be demonstrated through the successful implementation of pollution prevention strategies. Many of HVTDC's manufacturing firm clients have made this objective a mandate to all their business operations. It's viewed that the Institute's strategies will have an immediate impact on the environment and will result in significant economic benefits for business and industry throughout the state."

In 2005, the Federal Toxics Release Inventory showed that New York companies reported 312 million pounds of toxic-chemical waste generated and 42 million pounds released into the environment. These figures point to an untapped opportunity to reduce the impact of toxins on human health and the environment. Moreover, regulatory action at the state, national and international level indicates a shift toward reducing toxic and hazardous substances and an emphasis on product recycling.

The Pollution Prevention Institute will address this environment by tapping into academic research to make technology and manufacturing greener and help bring pollution reduction processes to market. Center activities will include: the identification and implementation of practical prevention methods, cost-effective equipment and safe materials; the development of professional education and training programs and the creation of a communications pipeline for technical assistance.

Phillips pointed out that, "An additional component of RIT's proposal includes the creation of 16 research and development test beds, or technological laboratories, across the state, through partnerships with Clarkson University, Rensselaer Polytechnic Institute and the State University of New York at Buffalo. Capabilities of these test beds will include environmental engineering of nanomaterials and printing applications at RIT, green processing and biofuels testing at Clarkson, polymer processing and testing at Rensselaer and sustainable chemical processes at the University of Buffalo."

HVTDC is one of ten regional technology development centers funded cooperatively through the NYS Foundation for Science, Technology and Innovation (NYSTAR), and the National Institute of Standards & Technology (NIST). The agency is celebrating its 20th anniversary during 2008.

To learn more about how the Hudson Valley Technology Development Center can help a business or organization improve productivity, please contact Phyllis Levine at 845-896-6934 x 3001, via email at Phyllis.Levine@hvtdc.org, or visit www.hvtdc.org.

CI Calendar—What's Ahead

Jan. 14 & 21	Certificate in Manufacturing Leadership: Fundamentals of Leadership 8:00am –4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$370 single participant, \$320 two or more from the same company - see page 2 for early registration discounts.
Jan. 20	Strategic Management Seminar: Strategic Decision Making - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Jan. 27	Strategic Management Seminar: Corporate Level Strategies - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Feb. 3	Strategic Management Seminar: Business Level Strategies - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Feb. 4	Certificate in Manufacturing Leadership: Problem Solving and Decision Making 8:00am –4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$185 single participant, \$160 two or more from the
Feb. 10	Strategic Management Seminar: Human Resource Strategy - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.

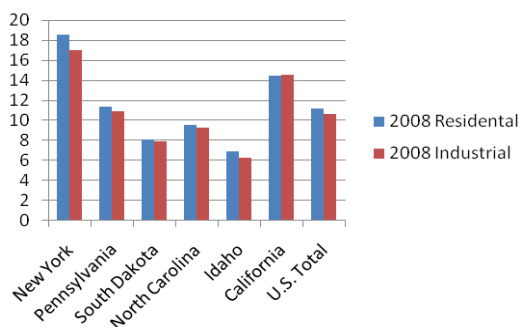
Energy Matters

New York's Electricity Prices Among the Highest in the Country

Energy prices are a major factor in New York's high cost of living and doing business, contributing to what former Governor Eliot Spitzer has called a "perfect storm of un-affordability" driving people and firms out of the state. The average retail price of electricity in New York is well above the national average.

The nearby chart shows how much more New Yorkers pay for electricity than residents of other states.

Action by Albany is urgently needed to expand energy capacity and reduce energy costs. Yet state laws and regulations in recent years have actually done the opposite—limiting capacity and raising costs. And the administration's energy policies threaten to make the situation worse.



Cost of electricity
in cents per kWh for selected states.

The Council of Industry and the Manufacturing Alliance of New York State will continue to make energy availability and affordability a regulatory and legislative priority.

Manufacturers Electricity Aggregation An Opportunity to Manage Your Electricity Costs

845-897-3661
845-565-1355



Action by Albany is urgently needed to expand energy capacity and reduce energy costs. Yet state laws and regulations in recent years have actually done the opposite—limiting capacity and raising costs. And the administration's energy policies threaten to make the situation worse.



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Manufacturing Matters

Contingency Planning

By Gross and Associates

What It Is

A contingency plan is a set of documents that describe the responsibilities and procedures that must be implemented when an unexpected disaster arises. These risks include natural disasters, fire, building failures, acts of terrorism, regulatory issues, labor issues, or other significant disruptions to business beyond a company's control.

Why It Is Needed

Contingency planning can minimize the effects of an unexpected disaster by having staff members fully prepared to react quickly, by eliminating confusion, and by allowing for a quick transition to alternate distribution plans that will reduce service disruptions. A well-planned disaster recovery will also provide a sense of security, insure organizational stability, and create an orderly process to return to business as usual as quickly as possible. Developing a formal documented contingency plan has become an important part of operations for any customer service business, regardless of size.

How We Can Help

TranSystems | Gross & Associates has significant experience in helping our clients with their contingency planning needs. We can help your organization from the initial stages of contingency planning through finalization and testing, or for specific assistance within the process.

The Process Steps

A contingency plan requires performing a wide range of activities prior to any disaster in order to properly prepare for the potential disruption in business. Possible scenarios must be identified, economic feasibility must be considered, and support at the highest levels of the organization must be obtained for any plan to be effective. The following is a list of steps required to create and execute a significant disaster recovery plan.

Step one is to identify and document the critical operating requirements and customer service considerations for each operating segment of the business:

- Who are the critical customers?
- What are the critical products?
- What labor is required to fulfill critical orders?
- What inventory levels are required to fulfill critical orders?
- How long of a shipping delay will customers accept?

This is followed by the development of a detailed disaster classification matrix. For each element in the matrix it is necessary to determine a disaster recovery action plan and deployment methodology for catastrophic occurrences (acts of nature, etc.) to include at a minimum:

aster recovery action plan and deployment methodology for catastrophic occurrences (acts of nature, etc.) to include at a minimum:

- Order processing and billing system backup processes
- Virtual fulfillment by vendors and production locations
- 3rd party logistics providers
- Space-occupancy, labor shifting, & skeleton systems
- Recommended equipment redundancies to support the plans
- Internal and external notification procedures

A contingency plan can then be developed to include all detailed procedures to be used during and after a disaster, including backup alternatives that have been determined in previous steps. Specific responsibilities for key personnel must be spelled out, and procedures for maintaining and updating the plan as systems or processes in the organization change must also be made clear. A new contingency-based organization chart may be created, which would include the team members, reporting structures, and departmental functions for each of the key personnel in the organization.

The contingency plan provides an understanding of the current and future needs, with concentrated focus on high profit margin items and their implications on infrastructure, storage, throughput capacity, and processes. This plan should be no longer than 15-20 pages, or else it will never be read or used. Key personnel should have a copy of this documentation at home, along with their assignments, current inventories, and all key phone numbers.

Conclusion

Contingency planning involves more than just a backup, off-site storage plan. Companies need written, comprehensive disaster recovery plans that prioritize the organization's critical operations and functions, the ability of the company to recover from an unexpected disaster will be greatly enhanced.

Even if the disaster never occurs, as is hoped, the benefits of creating the contingency plan include stronger communication within the organization, especially between departments; a better understanding of the organization's critical functions, which personnel are responsible for those functions, and which areas are most vulnerable to breakdown; and the security of knowing that the organization can survive if a disaster does hit. In this way, a disaster recovery plan becomes a part of any well-run organization's regular operational activities.

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