

## Council of Industry Celebrates a Century of Service: The State of the Council 2010

2010 marks the Council of Industry’s 100<sup>th</sup> year serving Hudson Valley Manufacturers. A century is a long time and the Council of Industry, like the manufacturing sector itself, has gone through many changes in the past 100 years.

Consider some of these simple facts about the year 1910:

- Only 8 percent of all U.S. homes had a telephone.
- The average wage was 22 cents per hour.
- The tallest structure in the world was the Eiffel Tower
- There were only 8,000 cars and only 144 miles of paved roads.
- Crossword puzzles and canned beer hadn't been invented yet.

In 1910 manufacturing was generally a dirty and labor intensive enterprise. In the Hudson Valley goods such as furniture, bricks, farm equipment, carriages, guns, textiles and beer were produced in cold dark factories by men, women and children who toiled long hours at repetitive tasks. 100 years later Hudson Valley manufacturing relies not so much on the sweat and strength of its workers as it relies on their wits and wisdom.

Like our members the Council of Industry has changed as well. While our mission is still to promote the success of our member firms, how we pursue that mission has evolved dramatically. Today we are offering our members more and more tools to remain competitive in global marketplace. We help our members develop their human capital through extensive training and educational opportunities. We help them share information and ideas through professional networks that not only meet physically, but virtually using technologies that could not have been imagined in 1910. We help our members to reduce their overhead costs with a cooperative purchase of electricity, workers’ compensation insurance and other service discounts. Through the Manufacturers Alliance of New York State – and organization we founded in 2006, we are helping the media, the public and elected officials know the important role manufacturing plays in our economy and advocating for policies that promote sustainable growth.

Throughout this coming year we will be looking back at the past century highlighting the many triumphs and tribulations of our members and of manufacturing in the Hudson Valley. We will host a series of events including a Gala celebration on June 3<sup>rd</sup> at the Grandview in Poughkeepsie, a banquet hall very near the location of the first meetings of our association. We will also spend a little time peering into the future to see what it might hold for Hudson Valley manufacturing.

I hope you will join us in celebrating this milestone. Several of our members including **TD Bank, Alcoa Fasteners, EFCO Products, Pawling Corporation, and Verticon Construction Services**, have already stepped up to sponsor our activities. If you would like to as well we would welcome your support.



A Taylor Clamp Carrier from the 1920's. James L. Taylor Manufacturing Co. has been a member of the Council of Industry since 1912 and is this month's member profile.

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## Training and Education

***"The Executive training series from the Council of Industry helped me and my company to focus our efforts on the most strategically important goals. In the current economic climate, we are able to remain profitable by using the techniques gained from these sessions,"***  
***Richard G. Croce, Viking Industries.***

### Executive Strategic Management Training

Is our company in the right market? Do we have the best people and are we getting the most from them? Are we using our capital effectively? Is our distribution model right? Are there other markets for our products? How can I be a more effective leader and develop other leaders in our company?

We all have questions that keep us up at night, but if the ones above sound familiar, the Council of Industry can help. There is still time to register for the Executive Strategic Management Series, six classes that can help in today's increasingly competitive and ever more complicated global business climate.

We are excited to offer this series for a second year. Last year's participants were very enthusiastic about what they learned. "The Executive training series from the Council of Industry helped me and my company to focus our efforts on the most strategically important goals. In the current economic climate, we are able to remain profitable by using the techniques gained from these sessions," Richard G. Croce, Viking Industries.



Council members discuss business strategies during an Executive Strategic Management class.

This series of seminars, taught in conjunction with the SUNY New Paltz School of Business, can help you ask the right questions and even find some answers. Each class is taught by a member of the School of Business faculty along the lines of the Harvard Business Case Study Model and will help you develop insights into your company, your customers, your processes, your employees and yourself. All classes will follow a single case study for continuity and efficiency.

Members are encouraged to enroll in the entire series, but it is possible to enroll in just one or two classes as well. Course titles include: Strategic Decision Making on 1/28, Marketing Strategies on 2/4, Human Resources & Strategic Talent Management on 2/18, Strategic Global Engagement on 3/4, Capital, Accounting and Finance Strategies on 3/25 and Authentic Leadership Development on 4/8.

The Executive Strategic Management Series is intended for senior level staff, people who report directly to the owners or the sight managers. The classes will be held on Thursday evenings on the SUNY New Paltz Campus and will include a working dinner. Some reading will be provided prior to each session. The cost to attend the entire series is \$750 for a single member, \$600 each for two or more from the same company. To attend just one course the cost is \$125 per member or \$100 each for two or more from the same company.

To register or for more information visit our website training page: [http://www.councilofindustry.org/programs/category\\_courses.html#strategic](http://www.councilofindustry.org/programs/category_courses.html#strategic) or contact Ana Maria Murabito at [anamaria@councilofindustry.org](mailto:anamaria@councilofindustry.org) or (845) 565-1355.

To register or for more information visit our website training page: [http://www.councilofindustry.org/programs/category\\_courses.html#strategic](http://www.councilofindustry.org/programs/category_courses.html#strategic) or contact Ana Maria Murabito at [anamaria@councilofindustry.org](mailto:anamaria@councilofindustry.org) or (845) 565-1355.



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## Council News

### International Trade Seminar: China

**When:** Wednesday, February 24<sup>th</sup>, 8:30 – 11:00 am

**Where:** Terrace Restaurant, SUNY New Paltz Campus

**Cost:** \$20 per person

On Wednesday, February 24<sup>th</sup> the Council of Industry will hold an International Trade Seminar on China from 8:30 until 11:00 am at the Terrace Restaurant on the SUNY New Paltz Campus. There will be a cost of \$20 per person to attend and breakfast will be included.

The program will focus on exports to China from the USA. Panalpina Inc., a Council associate member that focuses on global logistics and supply chain management will present information on logistics and challenges with shipping to China. There will also be a presentation from the Department of Commerce on the standards and certifications needed for trade with China as well as an over view of the Chinese market.

To register or for more information contact Harold King, [hking@councilofindustry.org](mailto:hking@councilofindustry.org) or call (845) 565-1355.

### Welcome New Members:

**Geodis**– Global logistics operations.  
Contact: Alan Schoeneburger.  
Dutchess County.

**Blooming Grove Stair Co.**– Full service, custom built stairs and balustrade systems. Contact: Jesse Kehoe. Orange County.

### Savings Central Seminar Provides Companies with Incentives to Become More Energy Efficient

Several Council of Industry Companies were in attendance at a meeting at Central Hudson on December 8<sup>th</sup> to learn more about the Central Hudson Savings Central program. This new program provides rebates to small and mid-sized businesses for installing high efficiency equipment that meets program requirements.

Through Central Hudson’s Savings Central Program, companies are able to receive a free on site assessment which will project the cost and possible savings of upgrading to high efficiency equipment such as Energy Star rated HVAC equipment, energy efficient interior and exterior lighting, electric motors and variable speed motors. The assessment report includes recommended upgrades and the estimated annual energy savings from the upgrade, the estimated cost to upgrade, the Central Hudson incentives available and the simple payback period. There is even the possibility of receiving rebates and incentives for replacing old worn out custom equipment with a more energy efficient model.

It is important to check with Central Hudson first to be sure equipment fits the specifications. Central Hudson also requires that a Central Hudson Trade Ally install the equipment, but companies that have their own in-house electrician maybe still be able to qualify. Contractors can sign up to become Trade Allies through the Central Hudson.

There are rebate forms to fill out once the work is completed and Central Hudson will do a quality assurance check. The wait to receive a check once the rebate process is completed is approximately 4 weeks. There are also tax deductions available for commercial buildings (see the article on page 12) so it would be best to talk to a tax person to find out the most your company can claim.

To find out more about this program go to [www.savingscentral.com](http://www.savingscentral.com) or call (800) 515-5353.

*The assessment report includes recommended upgrades and the estimated annual energy savings from the upgrade, the estimated cost to upgrade, the Central Hudson incentives available and the simple payback period.*



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## Personnel Matters

### COBRA Subsidy Eligibility Extended by Two Months

From JacksonLewis.com

**Employers subject to state "mini-COBRA" laws will need to monitor developments under applicable state law to see how their state reacts to the changes made by the Act.**

The Employee Benefits Security Administration (EBSA) has extended the eligibility date for the COBRA premium subsidy for two additional months, through February 28, 2010. The extension was authorized by a provision in the 2010 Defense Appropriations Act (Act). As with the original subsidy this past February, employers should become familiar with this extension and coordinate with their service providers to ensure appropriate implementation and accurate notices. (See [COBRA Premium Subsidies Notice Requirements and Action Plan](#).) Transition time has been built in to the extension.

Employers subject to state "mini-COBRA" laws will need to monitor developments under applicable state law to see how their state reacts to the changes made by the Act.

#### Eligibility Period and Length of Subsidy Period

Signed into law on December 19, 2009, the Act

1. extends the eligibility period for the ARRA premium reduction for individuals who are involuntarily terminated on or before February 28, 2010; and

lengthens the maximum period for receiving the subsidy by six months (from nine months to 15 months). This means that individuals who had reached the end of the reduced premium period before the extension will have additional time to pay for certain subsequent coverage periods at the reduced rate. In that case, for

coverage periods that began prior to enactment of the Act, these individuals will need to pay 35 percent of applicable premium costs by the later of February 17, 2010 (60 days after date of enactment, December 19, 2009) or 30 days after notice of the extension is provided by their plan administrator.

The Act also makes clear that eligibility for COBRA need *not* occur on or before February 28, 2010, in order for an individual to be eligible for the subsidy, *so long as the qualifying event* that makes the individual eligible for the subsidy occurs on or before February 28, 2010. Thus, an individual who is involuntarily terminated on February 28, 2010, and becomes eligible for COBRA on March 1, 2010, would be eligible for the subsidy if he or she otherwise meets the requirements of an "assistance eligible individual."

#### New Notice Requirements

Under the Act, group health plan administrators (employers, generally) must provide an additional notice concerning the subsidy extension. The notice is required for individuals who, on or after October 31, 2009, either:

1. are "assistance eligible individuals" *or*
- experience a qualifying event (consisting of termination of employment) relating to COBRA continuation coverage.

(Continued on Page 15)



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## More Personnel Matters

### Legal Issues When Drug Abuse Invades the Workplace

By Devora Lindeman, Esq., Senior Counsel, Greenwald Doherty LLP

Consider this scenario: For the most part, business is good and your employees are contributing to the bottom line. However, you notice inconsistencies in the work of a few employees who are not performing up to par. Based on your observations, you suspect that their performance issues could stem from some outside negative influence—such as drug or alcohol abuse. Do you know what you as a business owner, or Human Resources Manager, can do in these circumstances? Are you prepared to balance your responsibility to provide a safe and productive work environment for all employees, against any rights these employees may have?

When you suspect drug abuse in the workplace, a number of employment laws come into play. Are you savvy enough to navigate these waters? Your business should have a handbook that contains a drug free workplace and drug testing policy. Drug abusers could be “disabled” under various laws. Are you familiar with the American with Disabilities Act, and how it and parallel state laws might relate to your treatment of suspected drug abusers? You should be familiar with both the company’s and employees’ rights when an employee insists that a drug test result is false. Do you know when and how employers can search for drugs or drug paraphernalia on company property?

The legal issues that arise when employees’ performance problems are suspected to be

routed in drug abuse are numerous. It behooves a business owner to become knowledgeable in this area so as to avoid the potential pitfalls of the applicable laws.

On Friday, January 15<sup>th</sup>, the Council of Industry will host a presentation by **Devora Lindeman, Esq., of Greenwald Doherty LLP**, on Legal Concerns When Employees Use Drugs: Drug Testing Policies and Other Issues for Employees in New York State. The topics covered will include:

- Addressing performance issues with employees who appear to have drug problems
- Drug testing employees in New York, options and policies
- Dealing with employees with positive drug test results
- A company’s ability to search for drugs and drug paraphernalia
- Appropriate policies to protect company interests
- Interaction of the disability discrimination laws

The presentation will be followed by a question and answer session.

To register or for more information e-mail [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org) or call the Council office (845) 565-1355.

**When you suspect drug abuse in the workplace, a number of employment laws come into play. Are you savvy enough to navigate these waters?**

### Consumer Price Index - Nov. 2009

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
<b>Wage Earners &amp; Clerical</b>	<b>Nov. '08</b>	<b>Nov.</b>	<b>Oct.</b>	<b>Increase</b>	<b>Month</b>	<b>Year</b>
1967=100	617.47	631.49	630.14	1.35	0.2	2.3
1982-84= 100	207.3	212.00	211.55	0.45	0.2	2.3
<b>All Urban Consumers</b>						
1967=100	636.33	648.03	647.57	0.46	0.1	1.8
1982-84=100	212.43	216.33	216.18	0.15	0.1	1.8
Hudson Valley Unemployment Rate for Nov. 2009 = 7.1						

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

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

## Legislative Matters

### Overview of the Dept of Labor's Regulatory Agenda

By Keith Smith, Director, Employment and Labor Policy, National Association of Manufacturers

**The Department seeks to review the scope of certain forms required to be filed by labor organization officers and employees that identify potential conflicts of interest between the labor organization officials and their labor organization.**

In mid December, Labor Secretary Hilda Solis unveiled the Department of Labor's semi-annual regulatory agenda that contains 90 proposed rules and current regulatory actions. While we continue to work with the Department on a variety of issues, we are concerned with the direction of these regulatory plans. The NAM continues to urge policy-makers to develop policies that assist manufacturers in creating and retaining jobs, however, the components of this agenda fail to achieve these goals.

To assist NAM members in better understanding the key aspects of this agenda, we've highlighted the following points:

#### **Disclosure of Labor Relations Activities**

The Department seeks to develop rulemaking to narrow the definition of "advice" for purposes of employer disclosure under the Labor-Management Reporting and Disclosure Act. Currently, employers are only required to disclose information on consultants they hire who communicate directly with employees, and are not required to disclose "advice" they receive from outside consultants and law firms regarding compliance with complex labor laws. The Department justified its intentions to develop such rules to foster greater openness and transparency.

However, the Department of Labor intends to rescind certain reporting requirements of labor union officials by abolishing the OLMS T-1 Form that requires the financial disclosure of trusts held by labor groups. Additionally the Department seeks to review the scope of certain forms required to be filed by labor organization officers and employees that identify potential conflicts of interest between the

labor organization officials and their labor organization.

#### **Workplace Health and Safety**

The Department intends to pursue rulemaking next month to reinstate the "musculoskeletal disorders column" on its injury and illness recordkeeping forms and to add a definition of such musculoskeletal disorders to the Occupational Safety and Health Act. The NAM had filed suit against the Department of Labor in 2001 regarding a similar recordkeeping regulation. The Department's intention to collect this type of data is likely a sign of possible efforts to develop some form of an ergonomics standard similar what was promulgated under the Clinton Administration.

Although the Department claims that it currently has no intention to pursue regulatory action to develop an ergonomic standard at this time, these actions signal otherwise. Department officials claim that the development of such a standard is a "huge political issue" and that they are in the process of determining how they are going to address it after David Michaels formally arrives as the new OSHA head this week. At that time the Department will "intensify the process of determining how [they] are going to address ergonomics."

Other items of interest related to OSHA include continued efforts to develop rulemaking on: crystalline silica, beryllium, diacetyl, methylene chloride, combustible dust and the global harmonization of hazard communications for 945,000 hazardous chemical products.

**(Continued on page 15)**



## More Legislative Matters

### EFCA State of Play

From NAM.com

Given the Senate's priority is health care reform legislation, which is likely to fill the 2009 calendar, the head of one of the largest labor groups, the SEIU indicated at a recent event that he sees action on card check legislation as being a pivotal issue next year. Recently Richard Trumka, another labor leader, expressed a similar observation and renewed their commitment to pass the EFCA after the healthcare debate while stating that the bill's card provision is front and center at the moment.

#### Paid Leave Proposals

Congress continues to consider legislation to mandate the type of paid leave benefits employers provide to their employees. In light of the H1N1 outbreak both the House and Senate have held hearings to understand the current availability of paid leave and have urged support for the Healthy Families Act and related proposals that would require employers to provide employees with certain levels of paid leave. NAM member Bruce Clarke testified before the House Committee on Education and Labor to urge Congress to protect existing paid leave programs.

According to the U.S. Department of Labor, currently 96% of manufacturers in the U.S. provide employees leave that can be used to address sickness needs. As legislative paid leave mandates are considered, the NAM is working with Congress to ensure that manufacturers continue to have the flexibility to provide the types of benefits that best fit the needs of their employees.

### Manufacturers Alliance of New York Enters its 4<sup>th</sup> Year - Plan to Participate in Manufacturers Day in Albany 2/9/2010

The Manufacturing Alliance on New York, a statewide organization of manufactures associations founded by the Council of Industry and the Manufacturers Association of Central New York (MACNY), is entering its third year of Operations in 2010. The alliance launched its website

[www.themanufacturersalliance.org](http://www.themanufacturersalliance.org) in November. We will be hosting our 3<sup>rd</sup> Annual Manufacturing Day in Albany February 9<sup>th</sup> and our Political Action Committee (PAC) should be up and running in time for the 2010 election cycle. Today, in additions to the Council of Industry and MACNY the Alliance counts the Chief Executive Network for Manufacturing of the Capitol Region (CEN), the Long Island Forum for Technology (LIFT), the Manufacturers Association for the Southern Tier (MAST) and the IMA Management Group, Inc. (IMA) have all become members of the Manufacturers Alliance. Collectively, the Alli-

***In our united front through the Manufacturers Alliance, we continue our work with New York State elected officials, both on the State and Federal level, to support policies that will allow manufacturers the opportunity to sustain and grow their business.***



Manufacturers Alliance members at last years Manufacturing Day in Albany.

ance represents 45 counties and over 1,000 manufacturers and businesses from across the State.

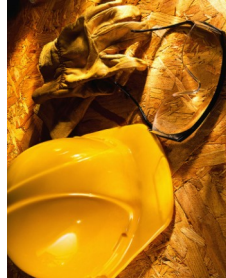
Manufacturers have survived throughout the years based on their resiliency and ability to adapt to their environment. New York State manufacturing has become stronger and more efficient as a result of it. As New York State manufacturers continue to do their part in adapting to remain competitive, government entities must do their share as well. The way New York State treats in manufacturers in years to come will hold significant influence on the economic vitality of our state as a whole. In our united front through the Manufacturers Alliance, we continue our work with New York State elected officials, both on the State and Federal level, to support policies that will allow manufacturers the opportunity to sustain and grow their business.

Manufacturing Day is set for February 9<sup>th</sup>, 2010. Register to attend contact Harold King at [hking@councilofindustry.org](mailto:hking@councilofindustry.org) or by visiting the Manufacturers Alliance website

## EHS Matters

**Members of the steering committee also agreed that it would be helpful to have a list of Council members and their training expertise incase other companies require training in that field and need help or material. The Council of Industry's LinkedIn site now has an EHS sub group, where members can go and ask or post questions and information of this nature.**

### Council of Industry / OSHA Alliance Plans for 2010



The Council of Industry /OSHA Alliance Steering Committee met on Friday, Dec. 18<sup>th</sup> to review the first year of the alliance and make plans for the upcoming year. Topics of discussion included offering a 10hour OSHA Safety course, a 500 level Trainer course and possible topics for future Environment Health and Safety Meetings. The committee came up with many great ideas and plans. If you attend an EHS sub-council meeting in 2010, it's a safe bet you will learn something new.

One of the hottest topics discussed was the proposed addition of a 10 hour OSHA training for general industry in safety and health hazard recognition. With the help of HRP Associates, Inc., the Council of Industry will be adding this course to our 2010 training. We are also looking into offering the 500 level train the trainer courses for those that meet the criteria and are interested in this certification. If you would like to find out more contact Ana Maria Murabito at [anamaria@councilofindustry.org](mailto:anamaria@councilofindustry.org) or (845) 565-1355.

In addition to adding more safety training, topics for upcoming the Environment Health and Safety Sub-council meetings were also discusses. Watch the Weekly Update and future newsletters for more information. Electrical Issues –the do's and don'ts, labeling and other general electric topics will likely be a future network meeting. It was also suggested that an informational meeting on how to become involved in New York State's SHARP program or OSHA's VPP program would be beneficial to our members. This meeting would include what the programs involve, the requirements and what companies should do to prepare to become a participant. Other topics suggested were the new Global Harmonization System, Merging Environmental Management with Health & Safety (ISO 14000, ISO 18000), Ergonomics, Subscription services that verify vendor's safety logs, Storage Tanks, and DOT Training. While not all of these will become meetings, we will try to get information on these topics to our members via the newsletter or e-mail updates.

Members of the steering committee also agreed that it would be helpful to have a list of Council members and their training expertise incase other companies require training in that field and need help or material. The Council of Industry's LinkedIn site now has an EHS sub group, where members can go and ask or post questions and information of this nature.

Overall, this was an entertaining and fun meeting full of wonderful ideas that are already in the pipeline to be implemented.

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## CI Calendar—What’s Ahead

Jan. 15	Deadline to place an ad in the <b>Council of Industry Member Directory</b> . Contact Alison Butler for more details— <a href="mailto:abutler@councilofindustry.org">abutler@councilofindustry.org</a>
Jan. 15	<b>Human Resources Sub-council Meeting—Drug Testing-</b> Location—TBA. Cost: none for members. Contact Alison Butler <a href="mailto:abutler@councilofindustry.org">abutler@councilofindustry.org</a> to register.
Jan. 20, 27	<b>Certificate in Manufacturing Leadership: Fundamentals of Leadership</b> – 9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: \$400 single participant, \$350 for 2 or more from the same company, \$700 for a single non-member.
Jan. 28	<b>Executive Strategic Management Series: Strategic Decision Making</b> — 5:00 pm –9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: \$125 for a single participant, \$100 for 2 or more from the same company.
Feb. 4	<b>Executive Strategic Management Series: Marketing Strategies</b> — 5:00 pm – 9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: \$125 for a single participant, \$100 for 2 or more from the same company.
Feb. 9	<b>Manufacturing Day in Albany</b>
Feb. 10	<b>Certificate in Manufacturing Leadership: Making a Profit</b> –9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: \$200 single participant, \$175 for 2 or more from the same company, \$375 for a single non-member.
Feb. 18	<b>Executive Strategic Management Series: Human Resources &amp; Strategic Management</b> — 5:00 pm –9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: \$125 for a single participant, \$100 for 2 or more from the same company.
Feb. 24	<b>Certificate in Manufacturing Leadership: Environment Safety &amp; Health Management for Supervisors</b> -9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: \$200 single participant, \$175 for 2 or more from the same company, \$375 for a single non-member.
Feb. 24	<b>International Trade Seminar on China</b> —8:30 am—11:00 am at the Terrace Restaurant, SUNY New Paltz Campus, New Paltz, NY. Cost : \$20 per person.
Mar. 4	<b>Executive Strategic Management Series: Strategic Global Engagement</b> — 5:00 pm –9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: \$125 for a single participant, \$100 for 2 or more from the same company.
Mar. 10	<b>Certificate in Manufacturing Leadership: Problem Solving and Decision Making</b> -9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: \$200 single participant, \$175 for 2 or more from the same company, \$375 for a single non-member.

### Manufacturers Electricity Aggregation

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*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

***The Council of Industry too is committed to continuing to assist our members with electricity procurement and energy risk management services. We are exploring several options that will, at the very least, provide the same services to our members and may in fact provide even greater value to you in the future.***

### **Pepco Energy Services To Wind Down Retail Electricity Operation – Council Will Seek Other Opportunities**

The energy services company (ESCO) that serves the Council of Industry electricity purchase group, Pepco Energy Services, is no longer actively marketing retail electricity and will wind down its business over the coming years. Pepco is committed to performing their contract with you and to meeting all of their obligations.



The Council of Industry too is committed to continuing to assist our members with electricity procurement and energy risk management services. We are exploring several options that will, at the very least, provide the same services to our members and may in fact provide even greater value to you in the future. We are considering several options including partnering with another Energy Services Company, partnering with an existing broker, or playing the role of “honest broker” ourselves – assisting our members with the procurement and bidding process to maximize price and minimize risk.

The Council of Industry business is part of a very significant business that Pepco has with commercial, industrial, and government customers with delivery obligations that extend well into 2014. Pepco Energy Services will maintain staffing for customer service, including their electric operations and billing groups. In addition, they are maintaining a management team that will help them provide accountability and the continuity of service for the remainder of your contract term.

Pepco Energy Services together with its parent, Pepco Holdings, Inc. (PHI), decided to exit the business so that PHI can focus its capital resources on growing its core utility distribution and transmission businesses. They determined that the optimal path to exit the business is an orderly wind down.

Council members that are currently under contract with Pepco Energy Service that have any questions or concerns about their existing energy supply contract, contract expiration date, or options for future electricity supply, can contact Pepco at [energy@pepcoenergy.com](mailto:energy@pepcoenergy.com) or by phone at 1-800-363-7499. You may also call Pam Maines, Vice President at 703-253-1644. Or you can contact Harold King at the Council of Industry office.

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# Manufacturing Matters

## After 4 Months of Growth Conditions for New York Manufacturers Levelled Off in December

*From the New York Federal Reserve Board*

The Empire State Manufacturing Survey indicates that conditions for New York manufacturers leveled off in December, following four months of improvement. The general business conditions index fell 21 points, to 2.6. The indexes for new orders and shipments posted somewhat more moderate declines but also moved close to zero. Input prices picked up a bit, as the prices paid index rebounded to roughly its November level; however, the prices received index moved further into negative territory, suggesting that price increases are not being passed along. Current employment indexes slipped back into negative territory. Future indexes remained well above zero but signaled somewhat less widespread optimism than in recent months. Indexes for expected prices paid and received declined moderately but remained well above zero.

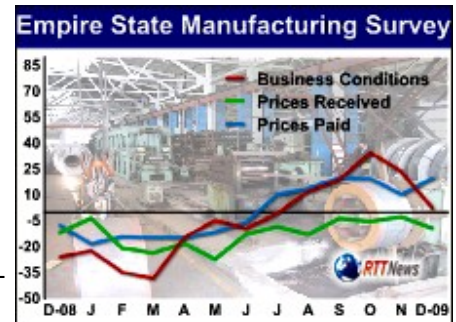
In a series of supplementary questions, manufacturers were asked about recent and expected changes in the prices paid for various categories of goods and services. Respondents predicted that prices paid for most budget categories would increase by 2 to 3 percentage points more in 2010 than in 2009. Prices paid overall were reported to have risen by 2.5 percent in 2009 and were expected to rise by 4.2 percent next year. The average respondent anticipated an increase of 2.1 percent in both wages and costs of outside services, 7.6 percent in employee benefit costs, and 3.5 percent in nonmedical insurance costs. In response to a separate question, the average respondent saw a roughly 7 percent chance that prices paid would decline by more than 2 percent; in last

year's survey, the probability of such a decline was pegged at 19 percent.

### Conditions Level Off

The general business conditions index fell from 23.5 to just 2.6, suggesting a leveling off in conditions after four straight months of improvement. Roughly 24 percent of those surveyed in December said that conditions had improved, while 22 percent reported that conditions had deteriorated. Most of the other specific activity measures fell a bit less sharply: the new orders index slipped more than 14 points to 2.2, and the shipments measure

declined by just under 7 points to 6.3. The unfilled orders index fell by more than 18 points to -21.1, its lowest level in nine months. In contrast, the index for delivery times held steady at -2.6, and the inventories index, at -18.4, was little changed for the third straight month.



### Manufacturers See Margins Squeezed

Survey respondents faced somewhat higher input prices in December, while their selling prices declined. The prices paid index rose 9 points to 19.7, reversing a drop of similar magnitude in November and suggesting some renewed price pressures. At the same time, the prices received index slipped 6.6 points to -9.2, its lowest level since August. Employment indexes declined for the second straight month, falling below zero for the first time in a few months: the index for number of employees slipped 7 points to -5.3, and the average workweek index fell 11 points to -5.3.

### Manufacturers' Optimism Ebbs Slightly; Prices Are Expected to Rise

Manufacturers remained generally optimistic about the outlook for general business conditions and activity, although a bit less so than in recent months. After rising to its highest level in more than a year, the index for expected general business conditions retreated 14 points to 43.0—still a high level but the lowest since July. The forward-looking indexes for both new orders and shipments fell by almost as much but remained in the upper 30s, while the future unfilled orders index declined by a more moderate 5 points to 12.0. The index for expected delivery times edged up to zero, its highest level in more than a year, and the measure for future inventories was unchanged at 7.9.

Forward-looking price indexes declined in December, after rising sharply in the preceding month: the index for future prices paid slipped nearly 8 points to 40.8, and the index for future prices received dropped about 5 points to 22.4. The index for expected number of employees reversed course in December, retreating 13 points to 17.8, while the future average workweek index was little changed at 19.7. The measure for planned capital expenditures jumped more than 9 points to 30.3, its highest level since May 2007; however, the measure for planned technology spending edged down to 13.2.

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## Financial Matters

### Commercial Energy Efficiency Incentives

From [www.energytaxincentives.org](http://www.energytaxincentives.org)

*Business owners are eligible for a variety of federal tax incentives for improving building energy efficiency, implementing combined heat and power (CHP) systems, purchasing hybrid gasoline-electric vehicles, and installing onsite renewable generation, fuel cells, and microturbines.*

#### Commercial Buildings

Businesses can take a tax deduction for new or renovated buildings by reducing the energy costs associated with three components—lighting system; building envelope; and heating, cooling and water heating equipment. Buildings must meet the ASHRAE 90.1-2001 standard and be placed in service between January 1, 2006 and December 31, 2013 in order to be eligible. The deduction is available in two levels:

- Buildings that save 50% or more of projected annual energy costs across all three system components are eligible for a tax deduction of \$1.80 per square foot.
- Buildings that save a percentage of projected annual energy costs for one of the three components—building envelope (10% energy savings), lighting (20%), and heating & cooling (20%)—are eligible for a partial deduction of \$0.60 per square foot.

The organization that makes the expenditures is generally the recipient of the deduction, which can be taken in the year the building is placed in service. In the case of a public building, the designer may take the deduction. The building must be certified by a qualified individual (a licensed engineer or contractor) as meeting the energy cost savings goal.

#### Combined Heat and Power (CHP)

Owners of CHP systems smaller than 50 MW may take advantage of a 10% investment tax credit for CHP property, applicable to only the first 15 MW of CHP prop-

erty. Systems must be placed into service between October 3, 2008 and December 31, 2016. Only the original constructor or user of the CHP property may take the tax credit, in the year that the system becomes operational. To qualify, a CHP system must be 60% efficient (on a lower heating value basis), and produce at least 20% of its useful energy as electricity and at least another 20% as useful thermal energy. The

**Businesses can take a tax deduction for new or renovated buildings by reducing the energy costs associated with three components—lighting system; building envelope; and heating, cooling and water heating equipment.**

efficiency requirement does not apply to CHP systems that use biomass for at least 90% of the system's energy source, but the credit will be reduced for less-efficient systems. The economic stimulus legislation also provides the option for businesses to take a grant from the U.S. Treasury Department during 2009 and 2010 in lieu of the investment tax credit.

#### Commercial Vehicles

Buyers of heavy-duty hybrid vehicles can receive tax credits based on the weight class of the vehicle, its fuel economy relative to a comparable conventional vehicle, and the incremental cost. The vehicle must also meet a threshold value of "maximum available power," a measure of the percentage of total vehicle power available from the rechargeable energy storage system of the vehicle. Credits are available for heavy-duty vehicles placed in service from January 1, 2006 through December 31, 2009.

The maximum credit available is: \$3,000

for a vehicle weighing 8,501 to 14,000 pounds; \$6,000 for a vehicle from 14,001 to 26,000 pounds; and \$12,000 for a vehicle over 26,000 pounds. As of March 2009, nine manufacturers had certified tax credits for at least one truck or bus model; credits thus far range from \$3,000 to \$12,000. Businesses are also eligible for passenger vehicle incentives.

#### Onsite Renewables

Business owners can take advantage of several onsite renewable generation incentives. The incentives apply to solar and wind systems placed in service from January 1, 2006 until December 31, 2016 and to geothermal heat pump systems placed in service from October 3, 2008 until December 31, 2016. The incentives are worth 30% of the installed cost of the system. The economic stimulus legislation also provides the option for businesses to take a grant from the U.S. Treasury Department during 2009 and 2010 in lieu of the investment tax credit.



# CHIA

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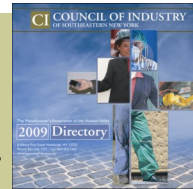
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# Member Services

## Catch the Eye of your Target Audience : Advertise in the Council's 2010 Member Directory



If you have a product or service that is vital to manufacturers here in the Hudson Valley, there are other ways to advertise through the Council of Industry. Our Member Directory is on the desk of hundreds of decision makers throughout Southeastern New York. An ad in the Council's directory is money well spent because this is a reference book used by many of our members and non members alike. A half page ad is a bargain at only \$400 and the quarter page for \$300 is a deal as well. The full page ad is our most popular, \$600 for a 7 5/8" square full color ad. We anticipate distributing more directories than ever before this year since it is our 100<sup>th</sup> Anniversary, so don't delay – get your ad in today.

There is also an opportunity to place a website ad on [www.CouncilofIndustry.org](http://www.CouncilofIndustry.org). There is a variety of prices depending on the page you wish to advertise on, from \$75 for one near your companies member listing to \$800 on our home page. The Council's website is visited by hundreds of local and not so local manufacturers each month.

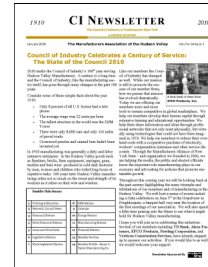
For more information on advertising with the Council of Industry or for sponsorship opportunities, visit our website [www.councilofindustry.org](http://www.councilofindustry.org) and select either sponsorship/advertising from the menu, or contact Alison Butler at [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org) or (845) 565-1355.

## CI Newsletter Rings in the New Year with a New Look

This year marks a centennial of service to the manufacturers of the Hudson Valley for the Council of Industry. Through the years one thing in industry remains a constant – change. When the Council of Industry first began many of the products, services and jobs that exist today were literally unimaginable. Manufacturers have weathered many economic recessions and times of booming growth throughout the past ten decades and the companies that weathered these conditions best were those that were able to adjust to the needs and wants of the consumers. The Council of Industry has looked to our member's needs and wants as our guide posts throughout the past century.

As we head into 2010 there seems to be ever more and more information that manufacturers

need to stay up to date. The various changes to laws and regulations as well as the latest best practices often fill the pages of the CI Newsletter quickly, yet there is often still more information we feel our members could benefit from. This January 2010 issue has an additional four pages of resources for our members.



The increased space means there is also more room for more advertisements too, a business card ad in the CI Newsletter is a wonderful deal. For \$350, an ad (like the Ulster Insurance one below) will run through 12 issues of the newsletter which has a mailed distribution of 250 and an online audience of more than a hundred others.

The audience is the manufacturing community and their associates, so this is a fantastic way to get the word out about your products or services.

If you would like to place an ad in our newly expanded CI Newsletter, contact Alison Butler at [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org) or (845) 565-1355.

*The increased space means there is also more room for more advertisements too, a business card ad in the CI Newsletter is a wonderful deal.*



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## Member Profile

**Member Profile:** James L. Taylor  
 Manufacturing Company  
**Location:** Poughkeepsie, NY  
**Founded:** 1911  
**Member since:** 1912  
**Product:** Clamping machinery for the  
 solid wood furniture industry.

The James L. Taylor Manufacturing Company has been a member of the Council of Industry since 1912, longer than any other current member. One reason they have outlasted so many others is their commitment to innovation. James L. Taylor Manufacturing started out making clamps for wood furniture and as the furniture industry evolved Taylor looked for ways not only to change with the times, but also to offer his customers the best machinery available.

James L. Taylor began making hand clamps for wood-working sometime around 1903 in New Jersey. In 1911, he decided to move to Poughkeepsie, New York in 1911 and start the James L. Taylor Manufacturing Company on Parker Avenue in the same building (a few additions and renovations later) where it is today. Here he manufactured his patented quick adjusting, self-locking bar clamp. These hand clamps were Taylor's main product throughout the early part of this century and were a significant step forward in the gluing of lumber for the woodworking industry.

In the 1930's and 40's, Taylor's clamps were placed on a wheel, similar to a Ferris wheel arrangement. Wood workers used these clamp wheels, or Taylor Clamp Carriers, to glue pieces of wood for a variety of trades such as furniture and casket makers and even a company that made wooden propellers for airplanes. It was a major first step towards mass production.

In the 1940's the glue went from animal hide glue to a two-part epoxy type glue. This technology forced innovation on the clamping industry. A new curing process involving steam heating was now being used. Taylor Manufacturing developed a steam heated press that used a batch feed called the Panel Mint and a continuous feed edge gluing

machine called the Panel Flo. They made between 300 to 400 of these machines during next few decades.

In the 1980's, the glue changed again. This time it was an industrial version of Borden's Elmer's glue, called PVA. This new glue cured at room temperature, eliminating the need for steam curing. With the advent of the new PVA glue, clamp carriers came back into use, and Taylor took the clamp carrier wheel and automated it.

In the 1990's the company added a second machine line, JLT Clamps. This was a line of smaller clamping machines designed for the custom cabinetry shop. This line is still going strong today with the introduction of their Mini Pod

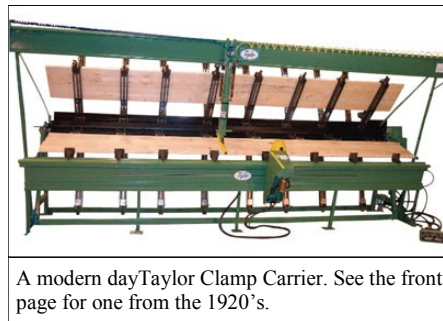
Press.

More recently a third line has been added, Cameron Automation. While this line has nothing to do with clamping or gluing, it is still a part of the woodworking process. Cameron Automation manufactures machines that contain a scan and feed system for ripping and chopping

timber. Their latest innovation is the Quick Match, a machine that can color match and pre-sort pieces of wood so that an entire set of cabinets will be the same shade of oak or maple. This process increases efficiency and quality.

As James L. Taylor Manufacturing Company comes upon its own centennial, they will continue to develop product lines and increase automation on the current machines. They already build all the computer hardware and write their own software for the machines they manufacture. This allows their customers to get programs tailored specifically to their needs and receive free upgrades when needed because there is no middle-man.

It is because of their flexibility and innovative approach that the James L. Taylor Manufacturing Company has won numerous Challenger Awards for their machines over the last three decades. That ability to look ahead and envision the woodworking tools of the future is also what has kept customers coming back to Taylor for almost a century.



A modern day Taylor Clamp Carrier. See the front page for one from the 1920's.

*By tailoring the data collected and refining the questions asked, it is hoped to both increase the quality of the data being reported, and, to increase over time the level of participation.*

**Continued from Personal Matters on page 4**

The Act provides time to send this notice — it generally must be sent within 60 days of enactment (by February 17, 2010), unless a qualifying event occurs after December 19, 2009. In that case, the notice, which must include information regarding the Act, must be sent pursuant to the general timing rules under existing COBRA regulations (generally 44 days from the date of the qualifying event).

A separate notice is required for certain individuals who ceased to pay their COBRA premiums or paid it in full during the original nine-month subsidy period. These individuals will be able to retroactively reinstate their coverage by paying the subsidized premiums, or, in the case of those who paid the full premiums, receive a credit or refund of premiums paid.

More details, including new notice requirements and possibly form notices, will likely be made available from EBSA and the Internal Revenue Service shortly. If you have immediate questions, contact an attorney in the [Employee Benefits](#) practice group.

**Continued from Legislative Matters on page 6**

**Family and Medical Leave Act (FMLA)**

Despite the recent extensive regulatory actions to incorporate much-needed clarity for this leave statute and its expansion for military families last year, the Department of Labor will be “reviewing the implementation” of these revisions. While the agenda doesn’t provide much detail, it states that upon completion of this review the Department intends to develop further rulemaking and “regulatory alternatives.”

The NAM and our members submitted numerous comments to the recent rulemaking actions by the Department. Although they didn’t address all of the weaknesses of the FMLA’s current regulations, the new rules moved closer to bringing much-needed clarity for employers in administering this often confusing statute. Although the expected action isn’t scheduled to take place until November 2010, we will be following this issue area quite closely.

**Fair Labor Standards Act**

The Department of Labor’s Wage and Hour Division intends to initiate rulemaking (expected August 2010) to increase disclosure to employees about how their pay is calculated. This action will likely include efforts to disclose how many hours were worked in a period, how pay was computed, what deductions were made, and whether proper time and one-half overtime pay was included for over-

time hours worked for each pay period.

**Federal Contractors**

Several aspects of the Department’s regulatory agenda impact manufacturers that engage in federal contracting. Final rulemaking is expected in June 2010 to implement an Executive Order so that federal contractors must display a poster that describes employees’ rights under federal labor laws. The NAM filed comments on this proposed rulemaking, which are available [here](#). Other aspects of this agenda include the strengthening of affirmative action requirements for federal contractors.

**ADA**

Although Title I of the Americans with Disabilities Act (ADA) is not administered by the Department of Labor, the Equal Employment Opportunity Commission also unveiled its regulatory agenda for next year, which indicates that it intends to publish by July 2010 the final rule to implement the changes to the ADA made through the ADA Amendments Act of 2008. The NAM submitted comments to this rulemaking, which are available [here](#).

This is an overview of the key aspects of the regulatory agenda. This summary is not meant to be a comprehensive analysis of the full regulatory agenda. More information on these issues and the actual regulatory [agenda](#) and [plan](#) released by the Department of Labor can be accessed by NAM members through the Labor Policy Institute (LPI) website, available at: <http://lpi.nam.org/>.

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