

INDUSTRIAL EXCELLENCE

A Monthly Publication of the
Greater Jamestown Empire Zone and the
Manufacturers Association of the Jamestown Area

News From the GJEZ

- Zone Certified Business DTF-80 Information : Page 2
- Tax Credits Available Through GJEDZ: Page 2
- Environmental Investment Program Page 2

Training Opportunities

- Jamestown Community College
- Manufacturers Association of Northwest Pennsylvania Training Opportunities
- Penn State Behrend MBA Program
- The Private Industry Council
- The Technology Development Center

* See Enclosed Calendar on page 4 *
For more information call MAJA
at 716-483-1833.

Discounted MAJA Services

- Workers Compensation
Todd Trantum 716-483-1833
- Enterprise Rent-A-Car
Donald Slough 716-432-5138
- Airborne Express
1-800-636-2377
- ALLTEL Long Distance, Centrex,
Telecommunications Equipment,
Data and Internet Products
Ann Mason 716-661-5121
- Employee Assistance Program
Doreen Hatfield 716-488-1971

Feature Stories and News

Health Care Cost Containment: A Community Approach

Health care costs continue to be the fastest rising cost of operating a business. Although Chautauqua County posts some of the lowest health care insurance costs in New York and very possibly in the nation, cost inflation is rampant. These are things employers do not need to be told, as they see it in the bottom line of their business and they see it at the negotiation table. So, how do we address the problem.

Jamestown Electro-Plating Makes Investment in E-COAT Line



Mike Burbey, Project Manager of Jamestown Electro-Plating overviews blue-prints with Todd Trantum, MAJA Executive Director, for a new Cathodic Epoxy Electrodeposition Coating Paint Line (E-COAT) being installed in the Jamestown ElectroPlating expansion facility. The \$1.2 million investment is in response to customer demand and will have the capability of processing both aluminum and steel parts.

Manufacturers Association to Move Offices to Manufacturing Technology Institute

The Manufacturers Association of the Jamestown Area will move its offices to the Manufacturing Technology Institute at the end of this year. "This is a very important project for the community as a whole and more specifically for manufacturers," stated Heidi Nauleau, MAJA President. "Workforce development is one of our top priorities. We are addressing our local workforce development challenges through a strong collaborative approach and it is working." "The location of our office within the Manufacturing Technology Institute is a statement on our part that workforce development is a key issue to strengthening our economic base."

Manufacturers Must Complete New Tax Form to Benefit from GRT Repeal

New York manufacturers last year won elimination of the gross receipts tax (GRT) on energy, but they will benefit only if they fill out and submit a new state tax form created for this purpose.

Businesses classified by the state as "industrial and manufacturing businesses" must submit new state tax form DTF-623 to receive a new credit against their business income taxes.

For eligible businesses that have a tax liability at a nonreducible minimum, the credit is fully refundable, said Rich Schwartz, The Business Council's tax counsel.

This tax credit, combined with future PSC rate-settings, effectively repeals both the GRT and the gas import privilege tax for manufacturers, effective January of 2000.

State lawmakers last year repealed the GRT for businesses' energy GRT with strong Council support. The repeal was retroactive to Jan. 1, 2000 for manufacturers. It is being phased in gradually for other businesses; for them, it will be fully eliminated by January 2005.

Source: *The Wire*, Vol. 16, No. 9, April 30, 2001

The Empire Zone News

Zone Certified Business DTF-80 Information

Information regarding sales tax exemption credit for Zone Certified Businesses is available:

Those Zone Certified Businesses in need of help completing the DTF-80 for qualification for the Sales Tax Exemption Credit may download information from the State Tax Web site forms and instructions. Remember that your **test date is July 1, 2000**, your **test year is 1999**, and your **base period will be 1998-1994**. This includes all Zone Certified Businesses, even those certified prior to 1999.

There is concern as to whether or not utilities are exempted. Utilities are exempted for the **New York State 4%** of the sales tax only. Another concern is having to pay taxes on goods purchased in another Zone (County) that has opted to relieve the local tax. You may buy in another Zone but be **aware** that you may be subjected to pay a "User's Tax" in the event of an Audit. The final concern is whether all businesses have to accept the "Sales Tax Exemption Certificate ST 126.6". Be **aware** that it is up to the vendor's discretion to accept or deny the Sales Tax Exemption. If a vendor does not want to accept the sales tax exemption, the ZCB may then file form AU-11 with State Tax for a refund; or the business may take a credit for purchases for which sales tax was paid when filing their taxes.

Contact numbers for State Tax are:

Fax-on-Demand: 1-800/748-3676

Forms and Publications: 1-800/462-8100

www.tax.state.ny.us

Look under Sales Tax in forms and Publications, or you may contact the Empire Zone office at 483-7773 for assistance.

Environmental Investment Program

Through the Environmental Investment Program (EIP), the New York State Department of Economic Development (DED) and its Environmental Management Investment Group (EMIG) is supporting projects that lead to measurable pollution prevention and economic development outcomes. EIP awards are made on a competitive bases. Projects with a strong likelihood of creating results in a timely fashion receive more favorable reviews.

Applications will be accepted continuously and reviewed on a competitive basis throughout the year by the EIP Investment Review Committee (IRC). Applications must be brought before the IRC by an EMIG specialist.

Contact EMIG to discuss your proposed project. To reach a specialist, contact EMIG's central office. A specialist will be assigned to work with you.

NYS Environmental Management Investment Group

30 South Pearl Street

Albany, New York 12245

E-Mail: emig@empire.state.ny.us

(518) 292-5340

Tax Credits Available Through GJZCC

NYS tax credits of 25% are still available to corporate or personal donors to the GJZCC Revolving Loan Fund. Every dollar raised helps create jobs and support business expansion and efficiency in the Greater Jamestown area. Call the Zone office at 483-7773 for more information.

Strong Return to Work Policy Cuts Cost

Companies that have actively promoted returning to work after a disability will have better employee morale, lower lost-time costs and improved productivity. The return-to-work policy should outline the roles and responsibilities of the employer, the employee and the disability provider. Everyone should know what is expected when an absence occurs and how they can facilitate the return to work.

Here are some tips and policy suggestions:

Transitional work programs should be created or expanded. Eliminate the requirements that employees must be able to return to their regular job and perform 100% of their duties as a condition of returning to work. Design temporary or modified work assignments that meet the medical restrictions to get them back.

Be sure supervisors keep in touch with absent employees and establish the expectation that the employee will return. Check that the job requirements are in all job descriptions. Spell out the duties as well as specific physical requirements such as standing and lifting.

A disability plan should not limit the number of trial work days that an employee can attempt during the benefit waiting period. Setting limits will discourage employees from making an attempt to return to the job. Employees will fear that if they return to work and then find they cannot perform their job duties, their benefit-waiting period will start over.

Remove incentives for staying home. Disability benefits, for example, should be designed to financially motivate employees to return to work. The benefit should only partially replace the employee's regular income. Rationale: benefits might not be taxable and, by not working, the employee is saving on working expenses

Return to Work Policy (continued on Page 5)

Manufacturer's Association News

Health Care Cost Containment: A Community Approach

Health care costs continue to be the fastest rising cost of operating a business. Although Chautauqua County posts some of the lowest health care insurance costs in New York and very possibly in the nation, cost inflation is rampant. These are things employers do not need to be told, as they see it in the bottom line of their business and they see it at the negotiation table. So, how do we address the problem. National polls and political elections tell us that health care coverage still rates as one of the most problematic issues faced by Americans. Large federal programs to address the problem have failed to gather political steam and failed to recognize unique local needs. State level programs tend to find themselves bogged down in bureaucratic morass and like federal programs attempt a one size fits all approach. The dawning of the HMO, although a worthy concept failed to be flexible enough to meet changes in the market.

So, what is the answer?

I have heard it expressed many times that health care is complicated, that there are too many moving parts and it is far too difficult to harness and improve. Many people find automobile engines to be very complicated, even those with carburetor systems. One rarely observes an individual tearing down, repairing and putting their vehicle back together. But with knowledge and an understanding of the engine and some experience the mechanic knows how to fix the automobile. In the past year, the Chautauqua Integrated Delivery System, the Jamestown Area Labor Management Committee and the Manufacturers Association of the Jamestown Area, have come together to better understand health care, pool resources and begin the work of containing health care costs on a local level. In many ways we are local health care mechanics seeking to contain costs and deliver a product owned by the community.

A Community Approach (continued on page 5)

Manufacturers Association to Move Offices to Manufacturing Technology Institute

The Manufacturers Association of the Jamestown Area will move its offices to the Manufacturing Technology Institute at the end of this year. "This is a very important project for the community as a whole and more specifically for manufacturers," stated Heidi Nauleau, MAJA President. "Workforce development is one of our top priorities. We are addressing our local workforce development challenges through a strong collaborative approach and it is working." "The location of our office within the Manufacturing Technology Institute is a statement on our part that workforce development is a key issue to strengthening our economic base."

The Jamestown Community College, the Manufacturers Association of the Jamestown Area, the Private Industry Council, and the Northern Chautauqua Industrial Roundtable raised \$2.2 million in 2000 to renovate the former Ten Pin Bowling Alley at the corner of James and Falconer Streets in Jamestown. The objective of the project is create a system in which more individuals can be trained efficiently, acquiring the skills necessary to work in today's technologically advanced manufacturing workplace.

MTI (continued on Page 5)

Manufacturer's Association Calendar

May 29, 2001 MAJA HR Roundtable: Employee Benefits JCC, Carnahan Center, Room 120
7:00-8:15 a.m.

Upcoming Training Events

May 11, 2001	Legal Aspects of Supervision	Jamestown, NY 716.665.5220 x 2332	JCC: Center for Continuing Education
May 17, 2001	Principles of Lean Manufacturing	Buffalo, NY 716.636.3626 www.wnytdc.org	TDC Sponsored Workshop
May 18, 2001	Sexual Harassment Identification	Jamestown, NY 716.665.5220 x 2332	JCC: Center for Continuing Education
May 16, 2001	Making the Business Case for Diversity	Jamestown, NY 716.665.5220 x 2332	JCC: Center for Continuing Education
May 15 & 22, 2001	Communication Tools for Business	Jamestown, NY 800.815.2660	MANPA: Regional Computer Training
May 31, 2001	Cellular/Flow Manufacturing* *prerequisite: Principles of Lean Mfg 101	Amherst, NY 716.636.3626	WNY Technology Development Center
May 17, 2001	Principles of Lean Manufacturing 101	Amherst, NY 716.636.3626	WNY Technology Development Center
May 10, 2001	Business Intelligence– Understanding Your Competitive Environment	Amherst, NY 716.636.3626	WNY Technology Development Center
May 29, 2001	TRIZ– Solving Your Unsolvable Problems– Quickly	Amherst, NY 716.636.3626	WNY Technology Development Center
May 24, 2001	Business Intelligence– Understanding Your Competitive Environment	Buffalo, NY 715.833.3953	Lorman Education Services
June 4, 2001	How to Comply with New York's Environmental Regulations	Buffalo, NY 800.358.1202	The Business Council of New York State, Inc.
Open Enrollment**	On-line Training Courses: Visual Basic, Win NT, Internet, MS Office, Networking, Java 2.0, etc.	Angola, NY 800.228.1184 x 4051	Erie 2-Chautauqua-Cattaraugus BOCES Adult & Community Ed. Div.
Open Enrollment**	CNC Programming, Computer Training Classes, Machinist, Quality Assurance, Sheet Metal, and/or Welding	PIC-Dunkirk & PIC-Jamestown 716.664.5076 or 716.366.0020	Private Industry Council: Evening Occupational Skills Training Courses **Training start dates are flexible.

Think of the Opportunities
MAJA members receive a special discounted tuition rate
Penn State
The Behrend College

MTI (continued from page 3)

“The institute is essentially integrating and co-locating community workforce development resources,” stated Nauleau. “It is our hope that other economic development and workforce development related agencies will consider co-location. Our community is best served when we pool our resources and work together.”

*A Community Approach
(continued from page 3)*

Collectively we have worked through the complexity of health care and have started the process of fitting all the moving parts together to develop a structure in which health costs can be contained.

For the past several years the Manufacturers Association has strived to progressively address the issue of health care insurance cost inflation. We believe it is in the best interests of manufacturers and the community as a whole to develop local solutions that stem the rising cost of health care insurance. To fulfill this objective, collaboration has to be a front and center component of the process. Having employers, labor, physicians and hospitals at the table to discuss our common goals and define the opportunities we can collectively bring to fruition we are confident that the Chautauqua County community will contain the costs of health care through a unique local partnership.

Alternatives to Layoffs

The fourth quarter 2000 and first quarter 2001 brought rampant news of corporate downsizing and slowing economic conditions. DaimlerChrysler, General Electric and General Motors were a few of the more notable and newsworthy victims of the economic downturn seen in late 2000. Some economic analysts have even gone so far as to forecast the dreaded “R” word for the first and second quarters of 2001.

When organizations are facing ever-decreasing revenue levels and profit margins, unfortunately, the first thing to go is usually the human capital. Those souls who make the company what it is and determine its future. There are, however, alternatives to downsizing. A recent Workforce article discusses numerous alternatives to layoffs.

Some of the internal steps that can be taken include cross-training, which involves linking current staff skills to those skills needed in the future. Linking hiring to vision is another option, by which employers identify the skills needed to meet future goals and challenges and hire individuals who possess those skills. HR can aid the organization with the use of succession planning to identify candidates in various departments who possess management and technical skills needed to fill open positions.

Redeployment within the organization may channel talent from one area to another. This option is a process whereby managers and employees are aware of open positions; a career assessment and development plan are necessary for successful redeployment.

There are numerous opportunities that involve tapping into employees’ creative business ideas. A group of employees might be encouraged to create a new business or line that the company can market. This sort of value added opportunity for the company and individual employees can also enhance revenue. Some organizations may consider allowing employees to buy the operation slated for closing so that they can set up their own business.

Lowering wages, or early retirement incentives for pension-eligible employees in a specific department are also options.

Some other options to consider are the following:

Reduced hours: Place either everyone in a particular classification or volunteer pool of employees on a flexible hours arrangement which decreases the hours worked by each employee.

Leave of Absence: Offer a leave of absence with full benefits for a specified period of time. A job is promised upon return.

Shared ownership: Allows employees to trade pay increase or pay cuts for company stock.

Source: Bulletin, American Society of Employers

Return to Work Policy (Continued from Page 3)

(such as transportation). Disability benefits should not exceed 50% to 70% of gross income.

When choosing an insurance carrier, select one that has an active and successful rehabilitation staff. Look for a carrier that handles both short-term disability (STD) and long-term disability (LTD). Experience reveals there are fewer LTD claims when there is a seamless transition between short and long-term care.

Is it worth the effort? Yes, say the experts, since absenteeism costs can range from 12% to 18% of payroll. For instance, for a \$1 million payroll, absenteeism’s toll can be \$180,000. Furthermore, by reviewing return-to-work policies and absenteeism, a company may be able to identify patterns, or specific positions and departments with poor attendance.

Source: HR Survival Letter, April 2001



MANUFACTURERS ASSOCIATION
OF THE JAMESTOWN AREA INC.

15 West Third St.
Jamestown, NY 14701

NONPROFIT ORG
U.S. POSTAGE PAID
PERMIT NO. 88
JAMESTOWN, NY

Contact Information

Manufacturers Association of the Jamestown Area

15 West Third St.
Jamestown, NY 14701

Phone: 716-483-1833
Fax: 716-483-6175
E-Mail: MAJA@ALLTEL.NET
Web Site: MAJA-NY.COM

*Executive Director: Todd Trantum
Executive Assistant: Amanda Bogert*

The Greater Jamestown Empire Zone

200 E. 3rd St., Municipal Building
Jamestown, NY 14701

Phone: 716-483-7773
Fax: 716-483-7770
Cell: 716-499-7773
E-Mail: gjez@netsyn.net
Web Site: greaterjamestownedz.com

*Coordinator: Sally T. Martinez, AICP, DFP
Administrative Assistant: Pamela J. Butler*

CCIDA *and...*
Jobs Chautauqua, Inc.

www.ccida.com www.jobs-chautauqua.org

Working Together...

...to make Chautauqua County
a great place to live and earn a living

200 Harrison Street, Jamestown

664-3262

488-2847

EEAUSTIN & SON INC
General Contractors • Since 1906

4 Carter St.
Falconer, NY 14733
Phone: (716) 665-3316
www.eeaustin.com



A History of Quality Built on Confidence, Value and Pride.

View Industrial Excellence On-Line

Visit our web-site at WWW.
MAJA-NY.COM.

Click on the Industrial Excellence link and select the edition you would like to read. In minutes it will download onto Adobe