

The logo for the Technology & Manufacturing Association (TMA), consisting of the lowercase letters "tma" followed by a stylized icon of three interconnected hexagons.

tma news bulletin

THE VOICE OF ILLINOIS MANUFACTURING

A close-up photograph of three manufacturing workers. On the left, a Black man wearing a yellow hard hat and a blue striped shirt is smiling. In the center, a white man with a beard wearing a white hard hat and a light blue button-down shirt is smiling. On the right, a woman wearing a white hard hat and a light blue button-down shirt is smiling. They appear to be in a factory or industrial setting.

MANAGING THE DIVERSITY OF MANUFACTURING



tma news bulletin

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www.tmaillinois.org

technology & manufacturing association

Founded in 1925, the Technology & Manufacturing Association (TMA) represents and supports manufacturers in the Chicago metropolitan area and surrounding counties in northern Illinois, northern Indiana, and southern Wisconsin. TMA has almost 1,000 members representing over 32,000 employees and nearly 26 million square feet of manufacturing plant.

TMA is governed by a Board of Directors, composed of executives from member firms. A full-time professional staff works closely with the Board, its committees and trust.

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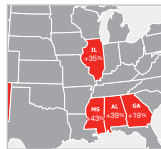
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tma | new members

Welcome to the newest members of the Technology & Manufacturing Association

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www.lavellelaw.com

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www.tomenson.com

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www.vinstonus.com



message from the president



TMA Members & Friends,

Whew! I sure did not see that coming!

In a country where it takes Special Prosecutors 5 years to investigate whether a politician lies (I mean really!) and a bank robber caught on video tape in the act is carefully referred to as an “alleged” thief, I would not believe that

the accusations of harassment would end the careers of a wealthy movie producer, 3 U.S. Congressmen, 1 U.S. Senator, and more than 5 big name college coaches!

The society is taking harassment seriously and rendering judgement quickly. Retail restaurants have even been pressured to change suppliers based only on accusations that the supplier permitted harassment.

Whether you think it is fair to punish first and investigate later or not, no business person in the U.S. today should miss the significance of the change in attitude.

And remember, it is not only about you. The company will usually be held responsible for the actions and behavior of anyone in a supervisory position, and even for the behavior of a co-worker if its believed the management had any knowledge of the harassment or discrimination.

Please read on in the issue and see what Karla Dobbeck of HRT advises all of us to do to protect our companies and employees.

Steve Rauschenberger

MANAGING WORKPLACE DIVERSITY IN 2018

The words “sexual harassment” were prevalent during the closing days of 2017 as one disturbing allegation after another hit the headlines and newscasts with names of famous politicians, film producers, movie stars, corporate CEOs, and news media personalities.

It seemed no industry was exempt from shocking rumors and scandals.

Indeed, the manufacturing segment was pulled in when the New York Times exposed alleged sexual harassment at two Chicago area Ford plants, featuring employee complaints and lawsuits that went back over 20 years.

America’s 2018 workplace is very different from the 1960’s “Mad Men” era – and eliminating sexual harassment is just one part of much broader employee protections included in current anti-discrimination statutes, TMA affiliate and Human Resource advisor Karla Dobbeck told TMA’s News Bulletin.

“When I’m talking sexual harassment, I’m talking about all discrimination,” she said. “Harassment and discrimination are lumped into one.”

In the context of civil rights law, unlawful discrimination generally refers to unfair or unequal treatment of an individual (or group) based on certain characteristics, including age, disability, ethnicity, gender, marital status, national origin, race, religion and sexual orientation.

One form of gender discrimination is harassment, which is most often defined as “the act of systematic and/or continued unwanted and/or demeaning actions of one party or a group, including threats and demands.”

So the discussion should be broader than inappropriate sexual advances between employees. It should also include discrimination based on an array of reasons.

Employees have several options open to protect themselves from discrimination or harassment at the state and federal levels. If they work at companies with over 15 employees, they can file complaints with the federal Equal Employment Opportunity Council (EEOC). If an Illinois company has less

than 15 employees, the employees can file with the Illinois Department of Human Rights. Many times, complaints filed with one agency will be duplicated by the other agency.

“We encourage companies to do all they can to correct the situation before a complaint ever gets to an outside agency,” Dobbeck said. “The goal normally is to correct the problem and keep the complaint in-house.”

But that can happen only if the situation is handled correctly from the start. While Dobbeck emphasized that she’s not a lawyer, she shared five things her human resource firm and the EEOC encourages employers to do to avoid workplace discrimination and harassment:

1. Put a company policy in place that provides examples of what is inappropriate behavior and clearly lists classes legally protected from discrimination
2. Establish separate discrimination and harassment reporting systems for employees
3. Immediately investigate any complaint by interviewing the one being harassed and the one accused of harassing, plus any other witnesses
4. Activate a specific plan to end that harassment or discrimination situation
5. Train employees about what behavior is appropriate and what isn’t

“Sexual harassment is covered under the gender section of Title VII of the Human Rights Act. There is no specific ‘sexual harassment’ law,” Dobbeck said. “It’s considered under the gender discrimination law.”

There are two specific types of sexual harassment and both must be taken seriously, she said.

One is any kind of discomfort due to a “hostile work environment” when the employee asked the offender to stop and it keeps going on, Dobbeck said. The other is “quid pro quo,” which, in Latin, means “something for something.” There must be a “tangible employment action”

which is based on the employee's acceptance or refusal of a proposition for sexual activity or dating. A tangible employment activity could be a promotion or demotion, raise or salary reduction, moving to a more favorable place or termination, to name a few.

Whether or not the discomfort or proposal takes place at the worksite itself, if the situation originated because of a working relationship, it can be considered discrimination or harassment.

Allowing such a situation to continue can be costly to a company or the accused person, as well. There is a \$100,000 cap on individual accountability at the federal level.

Employers must be careful to keep accurate records of how they handled the situation, Dobbeck said. "Punitive damages are higher if you can't show that you've actively tried to correct the situation."

And it's very important that employers do not punish a person making such a complaint of harassment or discrimination.

"Any action against the complainer can be viewed as retaliation and any such retaliation is just as illegal as the harassment or discrimination in the first place," Dobbeck said.

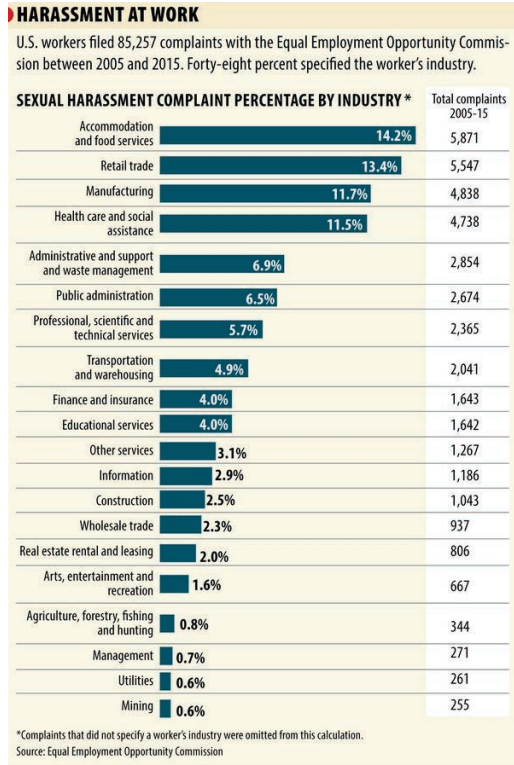
The complainer doesn't have to be satisfied with how the employer handles the complaint – the employer just needs to make the offensive activity stop.

Dobbeck said the workplace culture has been changing for years, and as laws and policies have evolved some employers have mistakenly chosen to ignore the situation. The good news is the media focus over the celebrity harassment in the past several weeks has startled many into reviewing their company's status.

"It's good to see that so many more are understanding the seriousness of the situation better now," Dobbeck said.

Dobbeck's firm, Human Resource Techniques, Inc. in Dundee, IL has provided human resource advice to hundreds of TMA members over the past twenty plus years and has developed employee policies and training that cover HR topics and more.

For more information, see their website at www.askhrt.com or email at Karla.kdobbeck@askhrt.com.



TMA PARTNERS WITH mHUB TO CONNECT INNOVATORS WITH MANUFACTURERS

In December, 2017, the Technology and Manufacturing Association (TMA) and mHUB, a physical product innovation and manufacturing hub, announced a partnership between the two major manufacturing organizations. The effort is a crucial step in increasing workforce development and connecting physical product entrepreneurs with manufacturing industry leaders to create opportunities for collaborative innovation.

The new partnership will allow both TMA and mHUB to aid and grow the manufacturing industry in Illinois by cultivating the next generation of manufacturer leaders. Through the agreement, TMA and mHUB will provide members of their communities with a wide range of training courses and access to machines, as well as networking opportunities at mHUB's state-of-the-art facility in Chicago.

"TMA is excited about this partnership with mHUB," said Steve Rauschenberger, President of TMA. "By providing physical product innovators with access to resources like labs and machines, workshops, mentors and industry connections, mHUB is making a real difference for our community. TMA is proud to be one of the initial founders of mHUB, and happy to install machines that will be used for the next generation of industry leaders. We look forward to working with mHUB to help foster creative solutions and innovations for the manufacturing industry."

"TMA has been a true supporter of mHUB since the beginning, and we're looking forward to taking the partnership to the next level," said Haven Allen, mHUB Executive Director. "The bright future of our region's manufacturing leadership depends on workforce preparedness and bringing fresh ideas and perspectives into the industry."

Through mHUB's partnership with TMA, startups will engage with manufacturers and collaborate to bring the next generation of products to market, Allen said, and in turn prepare new workforces with the necessary training to support them.

mHUB is located at 965 West Chicago Avenue in Chicago, Illinois 60642 and on the web at mhubchicago.com.



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A photograph of Kevin and Amy Graff standing in front of the NJC Machine Company building. The building is made of brick and has large white letters spelling 'NJC' mounted on the wall. Kevin is on the left, wearing a plaid shirt and blue jeans. Amy is on the right, wearing a plaid top and blue jeans. The background shows a brick wall and a dark door.

NJC

TMA MEMBER PROFILE

Kevin & Amy Graff

NJC MACHINE COMPANY

By Fran Eaton

The more manufacturing automates, the more work NJC Machine Company will have. That's a key reason why Kevin and Amy Graff bought the 38-year-old company a year and a half ago.

"The more the world automates, the more they will need the type of components we make at NJC - high precision, high tolerance components," Kevin said during a recent visit.

NJC Machine is a one-stop shop staffed with experienced professionals known for doing whatever it takes to get a job done right and on time. The company's capabilities include CNC turning, milling, surface grinding, polishing, broaching, welding and manual machining. They will make one replacement part or 10,000.

Kevin and Amy Graff bought NJC Machine from its previous owner in March 2016 after Kevin worked for years as an operations manager in Barrington Amy's expertise complements Kevin's in administrative work, including payroll, purchasing and human relations.

"You're only going to get so far working for someone else," Kevin said. "You buy a company as an investment. Then you work hard to get a satisfied customer base that will stick with you and grow with you. You do whatever you can to grow a legacy for your family."

Kevin's interest in manufacturing stems back to the late 80s, when he studied die making at TMA. He, along with hundreds of classmates at the time, finished the course with a die making certification. The company he was working for at the time paid for his training. Kevin says he realized how good he had it when he met up with his high school peers that went on to college. They were struggling to find jobs and pay off their college debts.

"They tell young people that college is the only way to go," he said. "That couldn't be more patently false. Machinists can make six figures with no debt."

"The company I worked for put me through TMA training, and even back in the 80s, I was earning \$45k. We would do tours for local high schools and the first question the students would ask is how much money I made. I told them they could make a good living in manufacturing, and they wouldn't have to wear a tie," Kevin said.

While working as an operations manager and customer service manager, the Graffs dreamed of owning their own business. When they found NJC and decided to invest in it, they depended on the company team to stay on while the company changed hands.

"My style of managing is different from the previous owner, and we had to learn how to work together, but things have worked out well," he said.

Kevin and Amy plan to double NJC's work over the next 12 years – if the government's "heavy hand" allows them to do so.

"One of the biggest impediments to buying and taking over a company in Cook County is the heavy handedness of government on business. It's like Cook County, Chicago and Illinois have made every effort to make the business environment as unfriendly as possible," Kevin said.

And finding a workforce eager to work and learn what manufacturers need to know isn't easy, either. "We're struggling to find people with appropriate life skills, let alone math or algebra ... " he said.

Despite the challenges, the Graffs are looking forward to the coming year as they're expecting a baby in the near future. Amy said she plans to still be involved in the business' while spending more time at home with the new addition.

With all the changes in the last year, issues have come up that surprised the Graffs. Kevin and Amy are especially grateful to the TMA network, which, they say, has been an "outstanding resource" in helping them get through tough obstacles.

TMA's Commercial & Marketing Service – Special Interest Group – (CMS-SIG) for short – is the service TMA's Vice-President of Membership Engagement Kent Gladish provides the association's members.

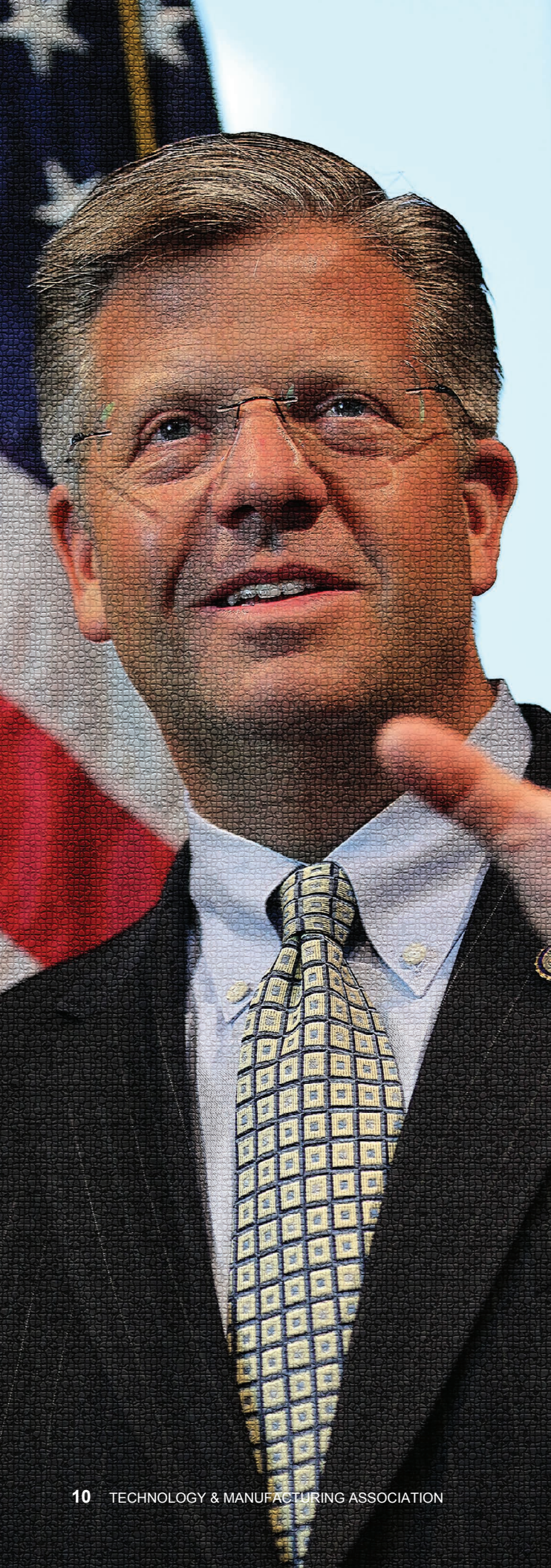
"I've tapped into the CMS-SIG 17 times," Kevin said. "It's great. All you do is blow out an email to Kent with your question, and you get so much better advice in the special interest group of TMA members."

Gladish says over 700 TMA members participate in the online loop he's developed over the years, in which experienced manufacturers share expertise on topics from unique customer-vendor relationships to decent pricing.

"It's one of TMA's most valuable resources," Kevin said. "It's hard to place a value on it."

NJC Machining is located at 8338 47th Street, Lyons Illinois 60534 or on the web at www.njcmachine.com.





TAX CUTS FOR SCR

Dispelling myths of

By Congressman Randy Hultgren

Roger Harris, CEO of Producers Chemical Company in Sugar Grove, Ill., employs about 30 people. He pays plenty in taxes—all told, federal, state and local governments take more of his business income than Roger does.

For Producers Chemical, tax reform could mean an extra \$150,000 in capital. And for Roger, that doesn't mean a bigger CEO paycheck. It means he can invest in his business and hire three or four new employees. That means stronger economic growth and more families taken care of in Illinois.

That's why one of the chief criticisms I've heard about tax reform in Congress—that it's a giveaway for the rich—is puzzling and misleading. Repeatedly, we hear that the bill is just a tax break for the wealthiest Americans who already have the resources to limit their tax liability, and don't need any more help from the federal government.

Here's the problem: rich people in America are not a monolithic group.

And many Americans unknowingly lump together Scrooge McDuck swimming in a pile of gold and the small business owner who lives next door. Job creators like Roger are caught in the crossfire of this misconception.

More than 95 percent of U.S. companies—including Producers Chemical—are organized as “pass-through” businesses, which means that the income these companies generate is taxed as the individual income of the owner or partners. These pass-through businesses account for more than 50 percent of U.S. business income and more than 50 percent of private sector jobs, even though almost all of them have less than \$10 million in annual receipts. The way they are taxed gives employers a great deal of flexibility to hire and pay new workers and to purchase new factories and equipment. Unfortunately for them, however, because the tax code treats them like individuals, Americans look at them that way too.

The truth is that these “wealthy individuals” are actually successful businesses employing a lot of Americans despite their significant tax liability.

In Illinois these businesses often face a top federal income tax rate of 39.6 percent and a top state income tax rate of 4.95 percent. Many people don't know that these employers must match the Medicare and Social Security taxes withheld from their employees' paychecks. They are required to shoulder the entire cost of workers' compensation

OOGE McDUCK? tax reform

insurance. Their offices and factories generate enormous property tax liability.

So when Americans opine that these small businesses need to “pay their fair share,” the truth is they are paying several shares more than they should be. And they contribute more than anyone else to U.S. economic growth in spite of it.

What these pass-through businesses really need is a break.

This Congress, I reintroduced the Bring Small Businesses Back Tax Reform Act, H.R. 1425. The bill would reduce the top tax rate on these companies to 25 percent, and it would tax their first \$150,000 in income at 12 percent. Additionally, my bill would allow these employers to immediately expense all investment in new inventory and equipment and to use simplified cash accounting for tax purposes.

The businesses in the 14th District know these changes could be the difference between a massive government strain on their capital and a new tax year defined by new employees, higher wages, more and bigger offices and factories and increased sales in the United States and abroad. These companies employ more than 2.4 million people in Illinois alone. Just imagine what they could do if the federal government stopped kinking the hose.

My colleagues in the House agreed, and I was pleased to see that much of the Bring Small Businesses Back Tax Reform Act was included in the House version of tax reform bill that passed on November 16. How Congress treats pass-through businesses in the final compromise bill between House and Senate is still up for debate.

These businesses are vital to the success and growth of the American economy, and we have a real opportunity here to unleash them, tell their story and dispel the myths.

These men and women aren't who you think they are. They're the employers like Roger Harris who offer their communities and their neighbors the opportunity to work with them in building the enterprises that just started as their small ideas. They're the employers paying this country's taxes and hiring its job-seekers. The government is punishing the success these businesses share with their workers and their families, and they deserve a break. Now is the best time to give them one.

Congressman Hultgren represents Illinois' 14th District.

TMA AFFILIATE FOCUS



KARLA DOBBECK
Human Resource
Techniques, Inc.

Karla answered five “get-acquainted” questions for the *TMA News Bulletin*:

Q: What book had the most impact on you?

*A: **Kidnap** - a shocking story of the Lindbergh case. It's the first non-fiction book I read when I was about 10. It developed my love for reading.*

Q: What's the most interesting place you've visited?

*A: **The British Virgin Islands**. Our family leased a sailboat and island hopped. It was during the first Gulf War and it was fascinating to hear folks from other places share their praise of the USA.*

Q: What is your favorite holiday?

*A: **Christmas***

Q: What's your favorite sports team?

*A: **The Purple Pepperonis** - my oldest grandson's first soccer team.*

Q: When people come to you for help, what do they usually want help with?

*A: **A variety of HR issues such as training for supervisors or specific jobs, employee handbooks, job descriptions, etc.***

Contact Karla at 224.241.8241. Her Human Resource Techniques, Inc. is located at 749 South 8th Street, Suite 114 in West Dundee, IL 60118

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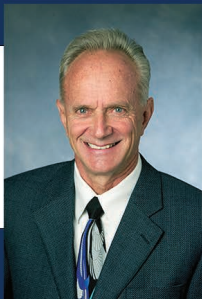
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Vice Chairman of Supplier Network Committee

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JANUARY 24

Safety Peer Group

Join your TMA peers to discuss this month's topic: OSHA Inspection Process. The meeting will review OSHA's authority, how an inspection is conducted, the types of inspections completed, citations and penalties, abatement, and how to respond. Free to all manufacturing members. Lunch provided.

TIME: 11:30am - 1:30pm

COST: Free

LOCATION: TMA Schaumburg

JANUARY 24

Veterans Back-to-Work Career Fair

TMA is partnering with the Des Plaines Chamber of Commerce Foundation to bring employment opportunities to local veterans and their families. The Veterans Back to Work Career Fair is specifically targeting Military Veterans, Spouses, and Dependents in the Chicagoland area who are looking for new work in the region.

TIME: 3:00pm - 7:00pm

LOCATION: Des Plaines, IL

FEBRUARY 7

TMA Young Leaders Bowling Event

Join the TMA Young Leaders and your fellow manufacturers for a casual gathering on the lanes. Guests will be assigned to random teams and compete in a baker-bracket challenge. Get to know others in the industry with a friendly competitive twist! Sponsored by: Ultimate Machining & Engineering and First American Bank.

TIME: 5:30pm - 7:30pm

COST: \$30 (includes bowling, shoes, pizza and beer)

LOCATION: Roselle, IL

FEBRUARY 8

Lunch & Tour: Kitagawa-NorthTech

Kitagawa-NorthTech delivers comprehensive product offerings including standard three-jaw chucks, quick change chucks, custom engineered Workholding for milling and turning, super large bore chucks, steady rests and more! Sponsored by: United Scrap

TIME: 11:30am - 1:30pm

COST: \$35 (includes lunch)

LOCATION: Schaumburg, IL

FEBRUARY 15

Sales & Marketing Peer Group

Join your peers to discuss challenges and strategies of sales and marketing in the manufacturing environment. Free to all manufacturing members. Lunch is provided. Hosted by: Matrix Industrial Automation

TIME: 11:30am - 1:30pm

COST: Free

LOCATION: Bartlett, IL

MARCH 1

TMA Annual Meeting

At this meeting members will review the audited statements of the Association and elect new members to the TMA Board of Directors. The meeting will be followed by a light lunch and tours of our "hands-on" training facilities. Please RSVP so we can make arrangements.

TIME: 12:00pm - 2:00pm

COST: Free

LOCATION: TMA Schaumburg

January calendar sponsor



ADVERTISE IN THE TMA NEWS BULLETIN

For information, contact Maxine Difino at 847.825.1120 or mjd@tmailinois.org

MARCH 3

TMA Annual Dinner

SAVE THE DATE for the 2018 TMA Annual Dinner at the Renaissance Schaumburg Hotel. More information coming soon.

TIME: 6:00pm

LOCATION: Schaumburg, IL

MARCH 7-10

The MFG Meeting

NTMA, in partnership with TMA, is hosting The MFG Meeting featuring hundreds of industry leaders. Experts on topics such as cybersecurity, industry forecasting, market sector analysis, transformational technologies, and future trends will lead the discussion on successful navigation for the new manufacturing landscape.

DATES: 3/7/18 - 3/10/18

COST: See website for member pricing

LOCATION: Miami, FL

MARCH 14

IT Peer Group

Join your peers to discuss the challenges and solutions to IT happenings in your shop. Free to all members. Lunch provided.

TIME: 11:30am - 1:30pm

COST: Free

LOCATION: TMA Schaumburg

MARCH 22

Machining Peer Group

Come discuss challenges and strategies of machining with fellow members. Lunch provided. Manufacturers only please. Hosted by: Mazak

TIME: 11:30am - 1:30pm

COST: Free

LOCATION: TMA Schaumburg



MotherG Named 2017's
#1 MANUFACTURING MSP IN ILLINOIS

MSPs across the country are starting to work with IoT-centric platforms to address manufacturing opportunities.

MotherG was recently named 2017's #1 Manufacturing Managed Service Provider in Illinois by ChannelE2E*.

MotherG believes that all companies and industries, regardless of size, deserve great IT services & support. Call MotherG for a FREE technology consultation today.

CONTACT: (800) 676-7374

*The research and corresponding list are based on a ChannelE2E™ worldwide survey of MSPs, conducted in Q1 2017. Rankings are based on annual recurring revenues in specific vertical markets.

ILLINOIS EMPLOYERS MORE LIKELY TO BE SUED THAN THOSE IN OTHER MIDWEST STATES

The 2017 Hiscox Guide to Employee Lawsuits shows that employers in Illinois have a 35 percent chance of being sued by their employees, compared to an average 10.5 percent chance in surrounding Midwestern states.

The data compiled by Hiscox compared lawsuits brought by employees against their employers when an employee or job applicant feels they have been discriminated against in the workplace. Management, another employee, or even someone outside the organization can be accused of perpetrating the discrimination.

Discrimination comes in many different forms: age, disability, equal pay/compensation, national origin, pregnancy, race/color, religion, retaliation and sex.

Any worker that feels he or she has been discriminated against, or feels they have been retaliated against for supporting a discriminated worker, can bring a charge against the employer. Charges can be filed with the US Equal Employment Opportunity Commission (EEOC) or an equivalent state fairness agency.

Hiscox found employers in Illinois to have a 35 percent higher chance to face employee lawsuits, partially because

of state laws that exceed federal recommendations.

For example, Illinois is one of only six states that restrict employers from referring to credit checks of employees or job applicants. Illinois is one of 23 states that require reasonable accommodations for pregnant employees. Illinois is also one of 24 states that do not allow employers to ask job applicants if they have been convicted of crimes.

Hiscox's data shows that retaliation is the most common discrimination finding, named in nearly half of the cases filed with the EEOC in 2017. Second is racial discrimination, followed by disability, then sex and age.

A representative study of 1,214 closed claims reported by small to medium-sized enterprises (SMEs) with fewer than 500 employees showed that 24% of employment charges resulted in defense and settlement costs averaging a total of \$160,000. On average, those matters took 318 days to resolve, Hiscox found.

The average employer's self-insured retention deductible for these charges was \$50,000. Without employment practices liability insurance, each of these companies would have been out of pocket by an extra \$110,000 on average.

Hiscox recommends that employers protect themselves by 1. preventing behavior that could cause a lawsuit, 2. detecting discriminatory behavior even if it is not reported, and 3. mitigating the business impact in case of a charge.

The study is available for review at www.hiscox.com/documents/2017-Hiscox-Guide-to-Employee-Lawsuits.pdf.

THE COST OF EMPLOYEE LAWSUITS

318 days

is the time it takes for the average claim to be resolved

24%

of matters resulted in costs for defense and settlement

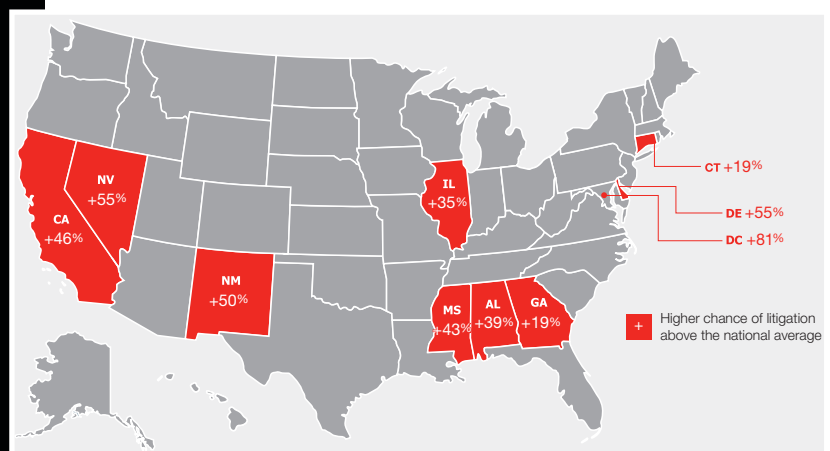
\$160,000

is the average cost for cases that resulted in a defense and settlement payment

76%

of cases resulted in no payment by the insurance company, highlighting the nuisance potential of employment charges; even if they are unfounded, allegations are made and must be handled carefully.

STATES WITH THE HIGHEST EMPLOYEE LAWSUIT RISK



KNOW SOMEONE WHO STANDS OUT FROM THE REST?

NOMINATE THEM FOR A TMA AWARD!

The **Rose Mottl Leadership in Manufacturing Award** recognizes women who have worked to advance the manufacturing industry and whose efforts serve as an inspiration to current and future generations of women.



The **Young Leaders Award** recognizes individuals who have distinguished themselves as part of the next generation of manufacturers.

If you'd like to nominate someone, or obtain an application, contact: Amanda Cortese at: acortese@tmaillinois.org.

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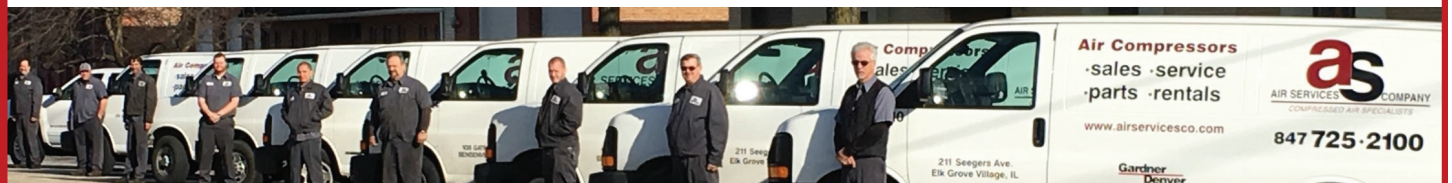


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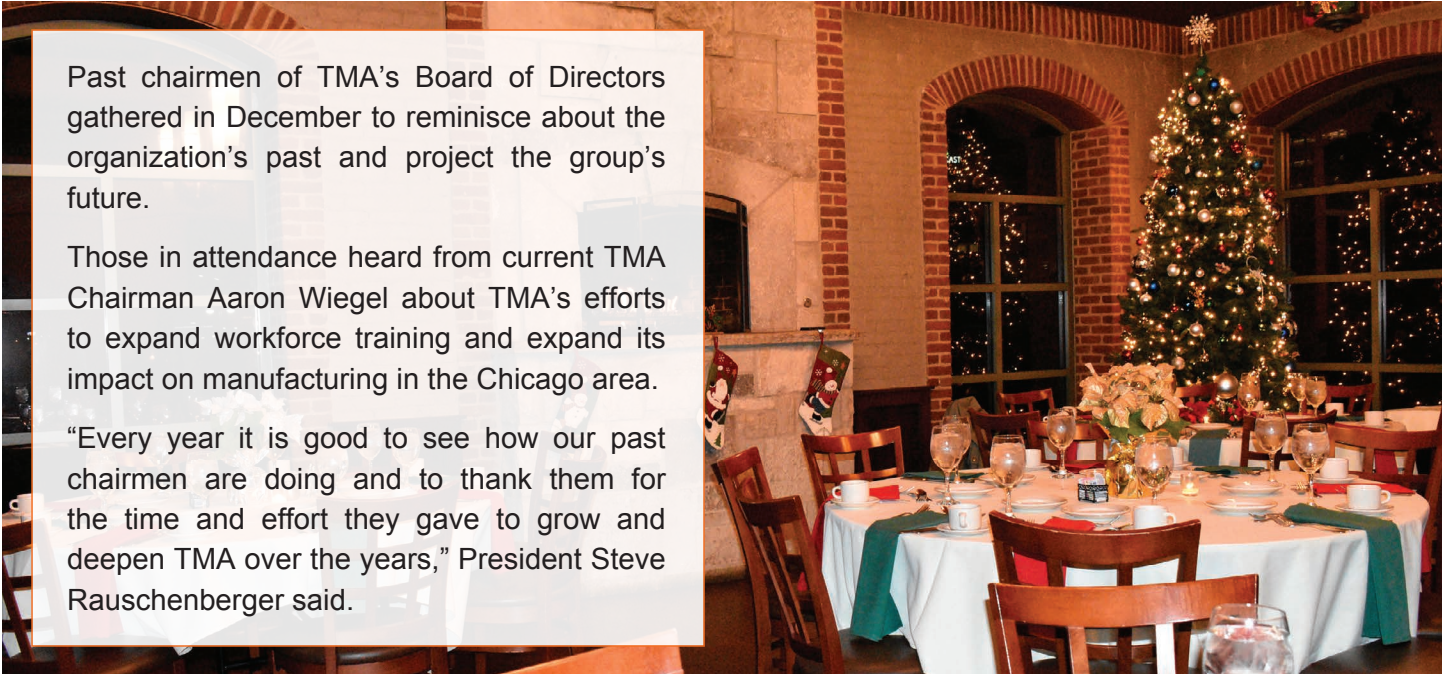


TMA's PAST CHAIRMEN GATHER FOR A YEAR-END CELEBRATION

Past chairmen of TMA's Board of Directors gathered in December to reminisce about the organization's past and project the group's future.

Those in attendance heard from current TMA Chairman Aaron Wiegel about TMA's efforts to expand workforce training and expand its impact on manufacturing in the Chicago area.

"Every year it is good to see how our past chairmen are doing and to thank them for the time and effort they gave to grow and deepen TMA over the years," President Steve Rauschenberger said.



COOK COUNTY COMMERCIAL & INDUSTRIAL PROPERTY TAX ASSESSMENTS

Topic of TMA Government Relations Luncheon



Property taxes are a big budget item for manufacturers in the Chicago area, and an expense most Cook County business owners are forced to seek and pay for legal assistance for assessment appeal fairness.

To learn more about the assessment process, TMA's Government Relations Committee hosted *ProPublica Illinois'* investigative reporter Jason Grotto

on January 10th at their Schaumburg headquarters. Grotto reviewed with TMA members what he found studying for the past three years the Cook County property tax assessment system.

Under Cook County Assessor Joseph Berrios, Grotto found the vast majority of commercial and industrial property values are assessed at the same value time after time, despite businesses appealing, having their values and tax bills lowered.

"When assessed the next time, those values generally return to the previous amount, and the process of appeal is repeated again," Grotto said.

How Cook County commercial and industrial property values are determined before and after appeal is unknown, and the assessor's office refuses to release information on how it is determined. A suit has been filed to reveal that process to the public.

Grotto said his findings, featured throughout the past year in the Chicago Tribune series on Cook County's assessment system, can be summarized in seven points:

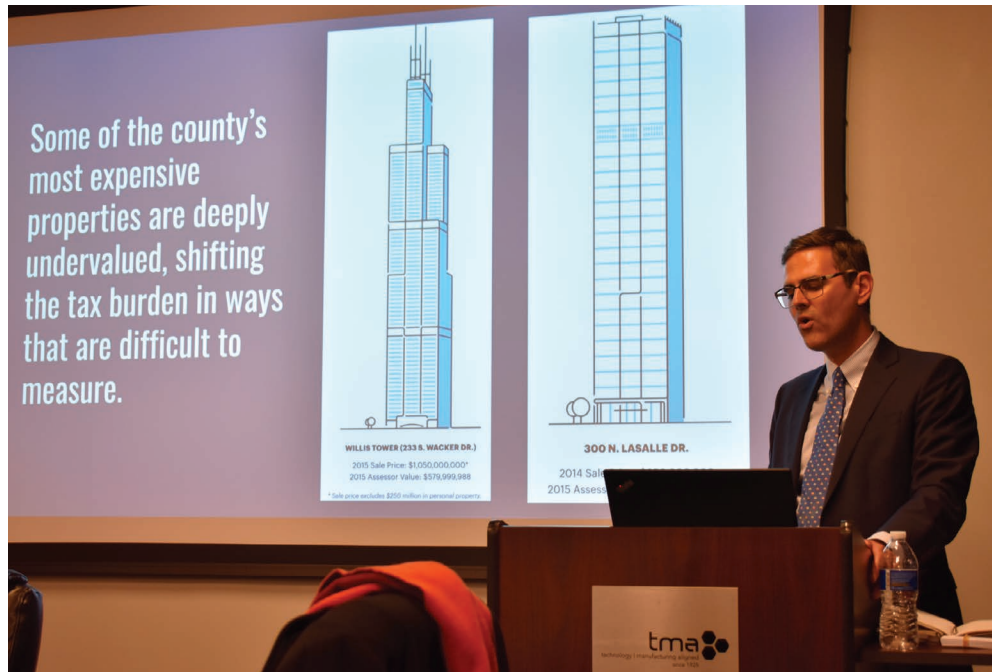
1. Long history of misinformation, lack of transparency and flawed assessments.
2. Changes to county assessment levels, housing market crash expose problems.
3. Cook County assessments are highly regressive.

4. Appeals system does not fix this problem. It makes it worse.
5. All of this holds true for commercial and industrial properties – except appeals.
6. Cook County Assessor Joseph Berrios appears to have repeated values from one reassessment to the next.
7. Undervaluing of large commercial properties shifts the tax burden.

The seriousness of Cook County's property values assessment was brought to the forefront with a point made by TMA President Steve Rauschenberger at the end of Grotto's presentation.

"Cook County represents about 49 percent of the assessed value of the state of Illinois," Rauschenberger said. "This is not just a county. This is about half of the property value of the state of Illinois that this small group of people are manipulating the system and enriching themselves at the expense of about 5.8 million people in Cook County."

More details on Grotto's findings and how it affects businesses will be covered in a future TMA News Bulletin.



U.S. MANUFACTURING EXPANDS TO HIGHEST LEVEL SINCE 2004

U.S. manufacturing expanded in December at the fastest pace in three months, as gains in orders and production capped the strongest year for factories since 2004, the Institute for Supply Management reported in early January, 2018.

HIGHLIGHTS OF ISM MANUFACTURING (DECEMBER)

- Factory index climbed to 59.7 (est. 58.2) from 58.2 a month earlier; readings above 50 indicate expansion
- Gauge of new orders advanced to 69.4, the highest in nearly 14 years, from 64
- Measure of production increased to 65.8, the strongest since May 2010, from 63.9

Key Takeaways

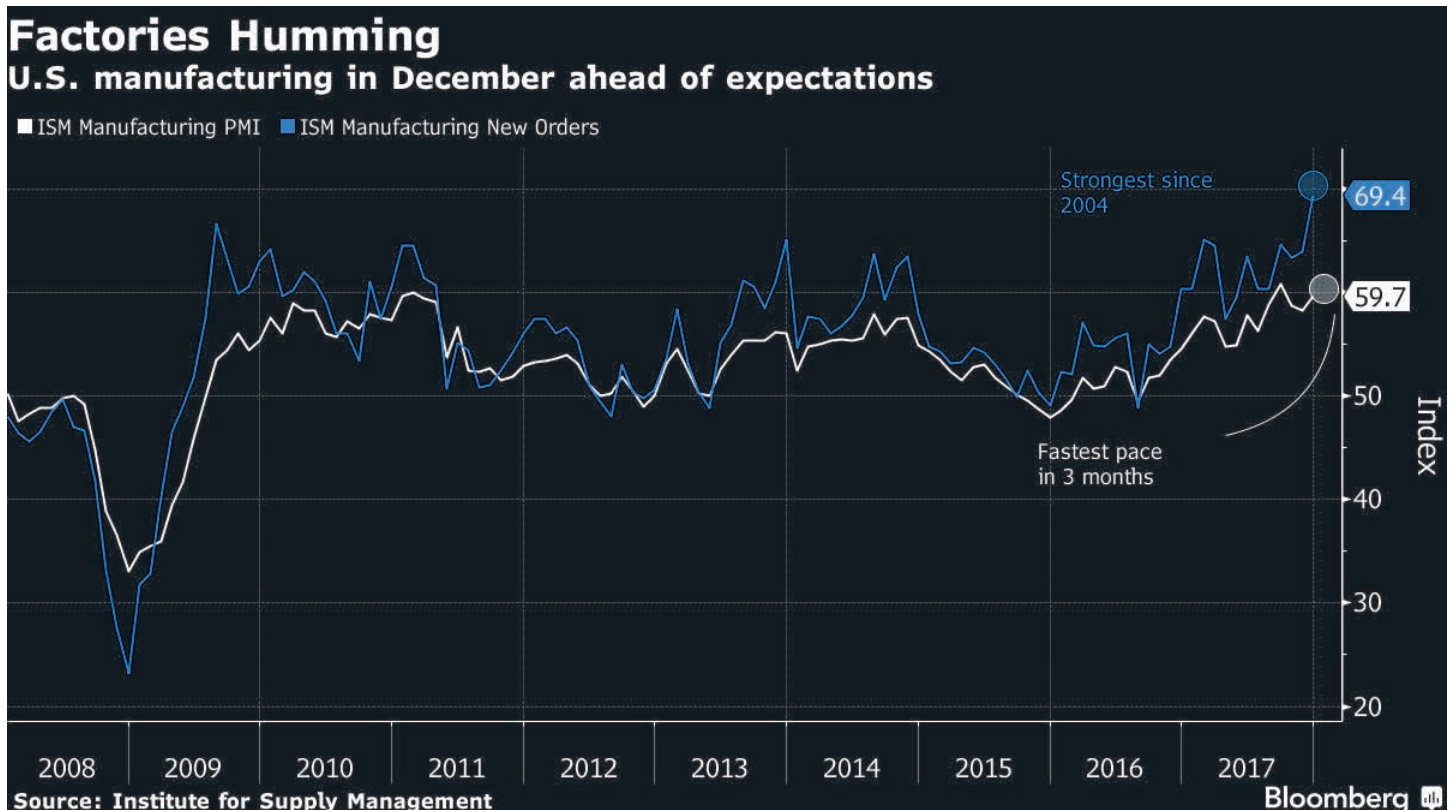
The survey-based measure of factory activity -- the year's second-highest behind September, when storm-related supply delays boosted the index -- brings the 2017 average to 57.6, the best in 13 years. The latest gain extends a string of strong readings that's been fueled by more domestic business investment, improving global economies and steady spending by American households.

A common refrain from companies surveyed, though, was difficulty finding highly-skilled labor, and some firms are paying higher wages to attract the workforce needed, ISM manufacturing survey committee chairman Timothy Fiore said on a conference call with reporters.

The acceleration in bookings indicates production will remain robust in coming months as factories race to limit mounting order backlogs amid declining customer inventories. Increasing export orders underscore improvement in global markets.

The figures suggest manufacturing strength will persist into early 2018, even after the ISM's semi-annual survey of purchasing managers published last month showed factories anticipate growth in capital spending to slow this year. The December monthly poll was taken before President Donald Trump signed the tax legislation, which provides companies with incentives to invest more, Fiore said in an interview.

First published in Bloomberg News, January 3, 2018, by Katia Dmitrieva





HOW TO COMBAT THE CHALLENGE OF DEVELOPING WORKFORCE

IMPO Magazine recently spoke with senior vice president of operations at The Raymond Corporation, Rick Harrington, on manufacturing workforce development and how companies can rise to the industry's growing challenge.

One question IMPO Magazine asked Harrington was "How can companies combat the challenge of developing a workforce?" He responded with:

In a nutshell, companies can combat the challenge of developing a workforce by eliminating hard work, serving as responsible teachers and trainers and collaborating with educational institutions to introduce manufacturing early on and set expectations.

One thing companies can do is to work toward eliminating difficult work. The Japanese call this YK Work.

For example, this could be needing to access an area to secure a hard-to-install bolt, or a process that includes moving heavy objects repeatedly. Companies will want to look at their workforce opportunities, on account that everyone should have an equal opportunity to be successful in their position — no matter their size or strength. Implementing processes that allow anyone to be successful and comfortable in their role will help ensure a dedicated and happy workforce.

Another area in which companies can combat the challenge of developing a workforce is by being more responsible teachers and trainers. At Raymond, the company offers dojos, or areas in which employees can learn a skill before employing it on the shop floor. For example, the company offers assembly and welding dojos, to name a few, where new employees with little to no experience can learn and practice the skills Raymond expects them to attain that is not under a time clock or fast-moving, production-type environment. These dojo experiences allow them to digest what is expected, practice and remember it — in a less demanding environment. It's a big responsibility for manufacturers to be world-class teachers and trainers.

Lastly, companies also need to consider collaborating with local or applicable schools and educational programs as much as possible. This could include high schools, local universities and technical schools. Through these types of programs, companies can find potential candidates and help set, early on, the expectations for what the employee would get hired on to do. This collaboration and experience helps prepare them early on instead of being surprised by the work requirements once on the job.

More on this interview can be found at Manufacturing News:
<https://www.manufacturing.net/news/2018/01/manufacturing-workforce-predictions-2018>

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