



TOOL TALK

A Publication of the Michigan Tooling Association

From Rob's Roost

by: Rob Dumont,
Managing Director

SOME OBSERVATIONS & A REPORT



Politics truly does make strange bedfellows! With the approaching election it is interesting to observe both sides singing a similar tune, "Manufacturing Matters; Save American Jobs". It is equally interesting and frankly, distressing, that not one nor, any collection of politicians, is in fact doing anything about the problem.

For example on March 22, 2004, together with numerous other interested parties including members of the Board of MTA, Gerald Flannery (**Mercury Gage**) and Chris Kirsch, (**Interstate Tool & Die**), I was in Flint at a meeting with Congressman Dale Kildee (MI 5th District) and representatives from the offices of Senators Levin and Stabenow addressing the "Crisis in American Manufacturing". The meeting was chaired by MTA member Laurie Schmalld Moncrieff of **Schmalld Tool and Die** in Burton MI. Certainly multiple claims of support for multiple positions on multiple issues were made by the Congressman and the representatives of the Senators (both of whom were required in Washington for important votes). One issue raised and addressed was the pegging of Chinese currency to the American dollar and the improper devaluation of that currency, giving China approximately a 40% pricing advantage, all of which is openly recognized as being contrary to the World Trade Organization's rules. It strikes me that our representatives (any and all of them) in Washington are uniquely situated (and frankly I believe, obligated) to address the issue in the appropriate forum and begin corrective action for the benefit of, among others, manufacturers in America. That has not been done and there is no evidence that it is being contemplated, at least to my knowledge.

At the State level where opportunities to assist are relatively scarce, legislative efforts are being made. The package of legislation including the Tool and Die Recovery Zone effort moves forward. We have met recently with Senator Nancy Cassis (District 15) at a plant tour hosted by Rick Heidrich at **Richard Tool & Die**. Senator Cassis was very active in the creation of the legislation aimed at helping our members and continues to pledge support in our efforts. She shares the view that plant tours by legislators are a critical component of the effort to inform and educate our lawmakers and offer a unique opportunity to our members to have a positive impact on policy as well. Again, if you can host such a function and want MTA to assist, please get in contact with us.



L to R: Richard Heidrich, Senator Nancy Cassis, Gerald Flannery

Judy Augenstein, the MTA legislative consultant, arranged a meeting for us with the Chief of Staff of Lt. Governor John Cherry. We met with Linda Rossi of his staff as well as Sandy Ring (formerly of Dykema Gossett), the Senior V.P. for Economic Development Policy, Michigan Economic Development Corporation. The discussions were broad in nature and consideration was given to a suggestion that the creation of Credit Insurance Corporation be undertaken. Such an entity might offer some guarantee to a credit grantor when a manufacturer seeks funding to finance a project for a customer. More thought is being put into that concept and efforts are underway to examine the possibilities.

(article continued on page 2, column 2)

Inside This Issue

- Page 2 Mark's Remarks/Light Talk/Early Bird Alert
- Page 3 Marketplace/Legislative Update/Carpe Diem
- Page 4 From the Desk of Gary Wood
- Page 5 Response to MTA Survey/In Memoriam
- Page 6 Members Making the News
- Page 7 MTA Open House Invitation
- Page 8 FYI/MTA Endorsed Providers/CPI

MTA Calendar of Events—April

- 15 MTA WCF Board of Trustees meets
- 21 MTA Board of Directors meets



Followed by the Annual Meeting 11:30 a.m.

see details on page 7

Mark's Remarks

by: Mark Tyler, General Manager
MTA Insurance Agency

It's Not Cheap to Die



Who Needs Life Insurance? YOU DO!!

Life insurance is definitely one of those items that we really don't do for ourselves, but our loved ones. Your death can bring a financial hardship on your family immediately. Plans for your children to go to college, paying off your house, or your spouse's retirement can all go away immediately if you don't plan now. Even the cost of just a funeral can be up to \$15,000! The bottom line is, it's not cheap to die and the financial impact can last for the rest of your family's lifetime.

Life insurance is one of the best gifts you can give your family. Now that we agree on that, the next question is, how much should you have?

Generally, you should look at having a life insurance policy that will pay your beneficiary approximately 2 times your annual income as a minimum. The more the better as your income is most likely the principal income for your family. Look at your family's financial requirements over the next 5-10 years. Does this time frame include college for your children? Does it include buying a car for your children? How about that new roof on your house? New furnace? All of these things should be reviewed when determining your financial needs going forward.

One of my friends had a policy for \$750,000. When he died at 43, he had one in college, with plans for law school, one a senior in high school, and one a freshman in high school. With his wife having to go back to work to provide benefits, a couple of cars were needed to get the kids around. She could not earn the level of income he was making, so she went back to school herself to get a better job.

After all was said and done, within a couple of years, the \$750,000 was down to under \$500,000. Now \$500,000 seems like a lot of money, but it had to last a 45-year old for the rest of her life. She still owed \$145,000 on the house and with interest rates dropping to record lows, was unable to invest the balance with any real return. If she lives to be 80 years old, and she is able to invest the balance at 4%, she will only have an annual income of \$19,000 and that's before taxes!!!

So, review your life insurance coverage and then call the MTA Insurance Agency to get the best program for you and your employees. We offer not just employer sponsored plans, but also employee paid plans that cost the employer nothing. Don't wait. The time to do something is now.

From Rob's Roost
(continued from page 1)

Going forward we continue to be alert to opportunities to be heard by legislators at all levels. Certainly we are eager to have your input, suggestions and guidance so don't hesitate to contact us with your offerings.



Richard Heidrich, Senator Nancy Cassis

By way of a final note, planning for the Golf Outing is underway. Last year was my first experience with the effort and it was to say the least, educational. One pitfall that I managed to stumble into had to do with the purchase of merchandise for prizes. I did not consider where the merchandise was made and as most if not all in attendance know, the MTA cups among other items, were made in China. I am keenly aware that "Made in the USA" should be and is our first choice in sourcing. In a recent planning meeting I suggested that we may have to buy a gross of baseball bats made in Kentucky to achieve the desired result but we will certainly make every effort to buy American. Obviously we cannot then visit Wal Mart, Sam's Club or Costco but we will do our best. I am cautious in this commitment because my wife and I just remodeled a home we purchased and I simply could not find lighting fixtures that were made in America. That is not a challenge, somewhere in American someone might still have fixtures made here, I just could not find them—I spent in excess of two weeks in the effort.

Light Talk

"Too bad that all the people who know how to run this country are busy driving taxis and cutting hair."

— George Burns

Early Bird Alert



MTA's 69th Annual Golf Outing & Dinner will be held on Thursday, June 24th at the Wolverine Golf Club in Macomb. So mark your tees and your calendars to join us for a really great time.

The Marketplace

Building for Sale:

Tool & die shop at 33 Eldredge in Mt. Clemens; owner retiring.



- ❖ Building size: 5,256 sq. feet;
- ❖ Lot size: 18,200 sq. feet;
- ❖ 2 offices and kitchen: 550 sq. feet; and
- ❖ 7,500 sq. feet currently being leased out for a parking lot.

Fully equipped: mills, lathe, surface grinders, EDM's, drill presses, saws, sand blaster, benches, cutter grinders, cut off saws, power hack saw, sanders, welders, pantograph, chainfall, benches, 5 hp. air compressor, hyd. press, hyd. spotting press, snag grinders, 2 radial drill presses, drills, end mills, 6,000 lb. capacity Clark hi-lo, taps, reamers, large assortment of steel, etc., and all related tooling for all machines.

Asking price: \$380,000.00

**Contact: John Bryant at (586) 463-5780
or fax to (586) 463-0055.**

Guidelines for "Marketplace" Ads:

From time to time, we get requests for "Help Wanted" ads. It has been, and remains, the Board of Director's position that we do not publish this type of ad.

- ❖ Ads are accepted from members only. Ads will not be accepted from machinery dealers.
- ❖ Ads are limited to equipment for sale or to be acquired, and space available or buildings for rent, lease or sale.
- ❖ All ads must be submitted in writing and include descriptions of item(s), asking price, contact person and number.
- ❖ Ads from personnel available will only be listed from persons not currently employed at a member company.
- ❖ Ads can be repeated for three consecutive months only. Requests for repeats must be in writing.

Legislative Update



by: *Judy Augenstein,*
Legislative Consultant, Lansing

Governor Jennifer Granholm has said that in light of the \$1 billion budget deficit for fiscal year 2005, the state needs to "strike a balance" between offering a quality of life and providing a low tax climate.

The governor has signed HB 5244 into law, PA 4 of 2004. The bill is the same as SB 811, legislation to restate the personal property tax exemption on special tools originally passed into law in 1964. At the request of MTA, Senator Jason Allen, (R-Traverse City) has agreed to introduce amendments to the "renaissance recovery zone law". Changes need to be made to the law to make it more useful to existing companies.

Increases in tobacco and liquor taxes along with keeping a state tax on estates has been proposed by Governor Jennifer Granholm in her budget recommendation for 2004-05. The budget is being viewed as a continuation budget with some exceptions. Granholm's budget avoids significant cuts to Medicaid, K-12 public schools, revenue sharing aid to local governments and higher education.

She proposes a 75 cent per pack increase in the cigarette tax and an increase in the state's liquor tax. The liquor tax hike would raise about \$30 million. The governor is also calling for separating the state's estate tax from the federal tax, which is scheduled to expire. By keeping the estate tax alive, the state would keep roughly \$80 million in revenue.

The legislature plans to see the budget completed by June 11th. The Senate will begin action on budgets for community colleges, the Department of Community Health, Corrections, Environmental Quality, Education, National Resources and K-12 school aid and higher education. The House will begin work on budgets for the Department of Agriculture, Labor and Economic Growth, Family Independence Agency, History, Arts and Libraries, State Police, Military Affairs and Transportation as well as the budgets on the judiciary and capital outlay.



Carpe Diem

Daylight Savings Time
begins April 4th.

Don't forget to set your
clocks ahead 1 hour.



From the Desk of Gary Wood

*Administrator
MTA Workers' Comp Fund*



I am torn! Do I write an April Fool's article like in the past or do we go serious? Let's start with serious and see where it gets.

The Workers' Compensation Fund operates under the control of Trustees that are elected from among the members of the Fund. The Trustees operate under the rules established by the state of Michigan. The Fund and all of the members are protected by an excess insurance policy that provides coverage to the Fund should the claims exceed the money collected to pay them.

The Fund pays a good deal of money for the excess insurance coverage and is not allowed by the state of Michigan to operate without the advantage of this coverage. This coverage is somewhat of a rare commodity at this time and was a serious issue at the January renewal of the Fund: it was not a question of how much it cost, it was a question of could we buy it?

This would be a good time to refresh your memories on the information required by excess insurers in order for us to have coverage.

- ❖ A detailed explanation of what each member does;
- ❖ Any changes in operations over the last five years;
- ❖ Is there any manufacture or transport of flammables;
- ❖ Is there any Occupational Disease Exposure;
- ❖ Is there any underground work;
- ❖ Is there any demolition of structures;
- ❖ Is there exposure to heights;
- ❖ Is there any multi-state exposure;
- ❖ How many employees are on each shift by location and zip code;
- ❖ What is the estimated gross payroll of employees by location and zip code;
- ❖ What is the claim experience of each member and the group as a whole;
- ❖ What OSHA/MIOSHA violations have occurred in the last five years;
- ❖ Do any members have federal acts coverage requirements;
- ❖ Is there volunteer or donated labor;
- ❖ Is there foreign travel and if so, what, when and where;

- ❖ Do any members own, lease or charter any watercraft for business use;
- ❖ Do any members own, lease or charter aircraft;
- ❖ Do members provide transportation to and from the workplace;
- ❖ What loss control is in effect at each location and for the Fund;
- ❖ What medical facilities are used or available in case of injuries; and
- ❖ Who provides claims service and what are each employees' qualifications.

These are questions on the standard application; if they don't like our answers, they ask more invasive questions. Not all of these questions have been answered when asked; some members never respond to questions and questionnaires and that forces the limited staff of the Fund to take extraordinary efforts to obtain information that we really need.

So, if you want to save the Fund money and time (AND DOESN'T THAT SAVE YOU MONEY?), please answer the questions we ask. If we go back to the same problems every month or year we are impeding the progress and the activity of the Fund. If we are calling you to collect a form, it could be taking away from the efficient (and thereby cost saving) operation of the Fund.



How about that economic recovery?

Last April and the April before that I wrote about the economic recovery and quoted some prestigious institute that had discovered early in 2003 that the United States had been in a recession since 2001! Let's see what the press is saying this year.

- ❖ Productivity is high;
- ❖ Inflation is low;
- ❖ Corporate profits are up;
- ❖ The stock market started to go up (but has now given it all back);
- ❖ Spending has been fueled by low interest rates; and
- ❖ Paychecks are not getting bigger.

This has still been a jobless recovery fueled by people refinancing their homes to get money out to buy that new SUV while the rebates are on. This has the effect of sacrificing savings for the immediate gratification we seem to require as a society.

While there has been some rebounding of jobs, not many of

Great Response to MTA Employment Survey

them are the jobs the economy needs to grow. Quoting a recent newsletter from an investment guru, “there has been a significant increase in the number of masseuses and nail technicians in the past few years.” Unless I am mistaken, neither one of these professions could be mistaken for full time work, nor am I sure that Mira Linder provides benefits, or for that matter, a livable hourly wage.

So let’s all run over to the service sector to get a job! Whoa, not so fast! Who among you has the education or training to be a stock analyst, mortgage banker, graphic web site designer, etc, etc, etc? And just how many of those jobs are going to remain after the providers of those services discover the advantages of “taking it offshore” and using communications links to deal with English speaking foreign nationals. You think not? I called my national credit card help number to validate my renewal card; Suli was very helpful and polite when she told me she was working at the telephone center in India.

Well, don’t worry about it, there will always be some jobs, like being a mortgage banker that requires face to face communication, and with a few years of education, you can be trained for the job, too. Oh, I am sorry; my mistake. I recently heard from a call center about refinancing my house. They sounded like they had a good deal and I knew the name of the facility so we talked. The call was from a center outside of Saint Louis; I was concerned about getting a long distance mortgage but was assured it was no problem and that Citibank was taking every opportunity to centralize their operations in a low cost venue. How long will it be before that low cost venue is in another country?

I think the final chapter of cost-cutting and corporate greed dictating the lowest cost at all costs will be when those in charge of the cost-cutting are replaced by brilliant accountants and financial analysts that are willing to work for one third the price from the comfort of their homes (in China).

“Doing nothing is not an option!”

We are pleased to report that nearly half our members with approximately 14,000 employees completed the Employment Survey for the years 2002, 2003, and 2004, that was tabulated last month on the 5th.

It is interesting to note that the number of employees reported each year has increased from 13,570 in 2002 to 13,767 in 2003 to 13,984 in 2004. These numbers seem to corroborate the fact that we are now in a slow recovery period that is the popular idea held by the press and other media at this time. However, as one of our members wrote: “This doesn’t go back far enough—Look at 1999-2001. That tells the real story.”

The average number of employees per company has also increased from 39.33 in 2002 to 39.90 in 2003 to 40.53 in 2004. The increase is small, amounting to slightly more than one employee per company and supports the idea that we are experiencing a slow recovery in the last three years.

The spread that was reported by these members is increasing each year with most occurring this year. This spread means that the average size of the companies has changed—the bigger companies are getting bigger and the smaller companies are getting smaller.

It would also seem to tell that the surveys we received were from the recovery portion of the economic cycle.

We would once again like to thank the members who gave us the data that will be most useful in future dealings with our lawmakers and help with your Association’s long-term planning.

—Data compiled by Ron Mariutto

In Memoriam

Fredrick ‘Ric’ Gonzalez, co-owner of **Gonzalez Design Group** of Madison Heights, passed on February 24, 2004. He was born in Detroit in 1949, was a graduate of Princeton University, lived in Waterford, MI and started Gonzalez Design Engineering, an automotive tool systems design company with his father, Henry. This enterprise launched a family of six separate companies in businesses from circuit assembly to personnel services to graphic communications.

From a two employee beginning, the group gave employment to over a thousand people. Ric’s success

derived mainly from a fierce focus on trying to meet client needs. Downsizing and outsourcing became opportunities for him and they worked.

Besides Ric’s business acumen, he was an accomplished painter, teacher and musician. He focused on teamwork, leadership and the tenacity to win. But when asked what his primary motivator was, he simply said, “I have a deep faith and spirit”.

He will be greatly missed by all. Memorials may be sent to Ste. Anne Church, Gabriel Richard Society, 1000 Ste. Anne, Detroit, MI 48216.

Our sincere condolences to his family and friends.



Members Making the News

E&E Manufacturing Co. of Plymouth was honored on March 23, 2004 with the “**Star Award**” from the State of Michigan for their Voluntary Protection Program. E&E is the first stamping operation in the country to win this award.

Jeanne Swanson of E&E, the master of ceremonies at the presentation, had the following to say:

All of us at E&E Mfg. Company, Inc., wish to extend a heartfelt thank you to everyone who came and celebrated this very important event with us. We also would like to thank all of the hard-working people at the Michigan Occupational Safety & Health Administration, MIOSHA Consultation Education and Training (CET) division who through constant support and dedication to our efforts, have allowed E&E to develop into an industry leader in Employee Health and Safety. All of us here can say with a strong sense of pride that E&E is truly one of the best of the best when it comes to its employees’ health & safety.

E&E Manufacturing Company, Incorporated, based in Plymouth, Michigan is a premier niche supplier of metal stampings, fasteners and assemblies to the North American automotive market.

E&E’s philosophy is one of honesty, respect, integrity, fairness and empowerment. E&E firmly believes in developing and retaining its people, as they are essential in the company’s growth and success. Equally important is their welfare, safety and health. Started as a family business in 1963, E&E has expanded and grown tremendously, while still striving to keep the “family” atmosphere and culture.

E&E’s goal of assuring maximum flexibility and responsiveness benefits its customers and partners by meeting their needs and expectations. This goal is employed through the E&E Manufacturing System, a constantly improving process of developing high quality products through effective utilization of time, equipment, space, effort and people.

As a leader and model in operational excellence, E&E offers its customers competitive pricing, while rewarding personnel, keeping them safe and healthy, and allowing the owners to receive an appropriate return on their invested capital.

E&E’s many industry awards are a tribute to the firm’s manufacturing savvy and vision. The company looks to the future by utilizing effective manufacturing solutions, ensuring customer satisfaction and hiring, training and promoting talented people.

The “Star Award” is presented to companies that go beyond the OSHA requirements of having 50% less injuries and illnesses than the averages for their industries; they go beyond OSHA requirements by making safety and health an integral part of their company culture. OSHA Assistant Secretary John Henshaw and Department of Labor & Economic Growth Director David Hollister presented the award to Wallace E. (Wes) Smith, president and owner of E&E.

The “*Michigan Voluntary Protection Program (VPP) Star Award*” for exemplary safety and health programs is awarded by MIOSHA. MIOSHA Economic Growth Director David Hollister stated: “I am honored to welcome E&E Mfg. into this exceptional group of Michigan companies who have outstanding safety and health programs. **Manufacturing matters in Michigan. Your commitment is proof that focusing on safety up front is a sound business decision.**” (*emphasis added*)

E&E Manufacturing’s “Incidence Rates and Lost Work Day Rates” are well below the Michigan average for their SIC code 3465, Automotive Stampings. E&E is a world-class leader in metal joining technology. It meets the needs of its outstanding automotive customers by manufacturing heavy gage fasteners, progressive die metal stampings and high value added assemblies, while adhering to the philosophy “Nothing is more important than our associates’ safety.” E&E’s ultimate goal is zero injuries and illnesses.

Supervisors from **Aactron, Inc.** of Madison Heights accept awards for the successful completion of the “Effective Supervision Seminar” held on December 18th, 2003.



L to R: Rob Dumont of MTA presenting the awards; Ron Wroblewski, plant manager; Randall Hunt, Robert Kilbourne, Lisa Bushon, all supervisors from Aactron; Paul Hindelang course instructor from Results Systems Corporation; and Erik Karfarski, president of Aactron.

Our congratulations and best wishes to the above. Let us know what is happening at your company.

MTA Welcomes All Members to its 70th Annual Meeting and Open House

You are most cordially invited to attend the 70th Annual Meeting and Open House at the Association headquarters, 28237 Orchard Lake Road, Farmington Hills, on Wednesday, April 21st. A map is available upon request.

The Annual Meeting will begin at 11:30 a.m., featuring a short business meeting, luncheon, an opportunity to meet your Board of Directors and ask questions and give input to your Association. There will be no charge for members.

Please RSVP to Ron Mariutto on the reservation form enclosed; fax to Ron at 248-488-0500.

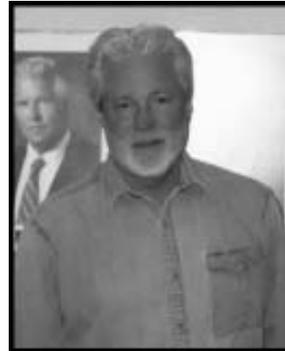
Pictured are some of the Directors for the 2004 year:



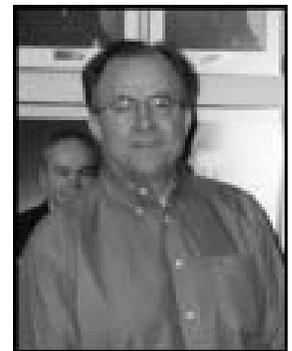
Charles Barnes
Paramount Boring & Machine



Chris Kirsch
Interstate Tool & Die Company



Dennis Wilson
Accum Matic Systems Inc.



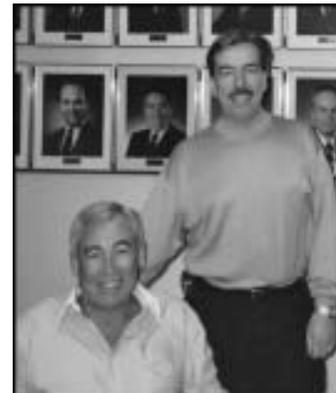
Mike Obloy
Special Drill & Reamer Company



Dennis Haller
Automatic Tooling Corporation



Rob Dumont-MTA
Gerald Flannery-Mercury Gage Company



Gary Theuerkorn-Hillside Tool & Die Co.
Herb Trute-T & W Tool & Die Corp.



Board of Directors meeting in progress.



Hertz car rentals has joined the list of MTA Endorsed Service Providers. Now when you rent from Hertz, you can take advantage of special year-round savings through the MTA Hertz Member Benefit Program. MTA members receive discounts off Hertz daily member benefit rates, Hertz U.S. standard rates and Hertz leisure rates. Your membership card and additional information will be forwarded under separate cover.

We need your input! MTA is in the process of redesigning our website and we want your feedback. Let us know what you want to see and any ideas you have. After all, this is your website and we are designing it with you in mind. Contact Elaine at ext. 1309 or e-mail to elaine@mtaonline.com. We look forward to hearing from you.

The 2004 Salaried and Hourly Wage Surveys have been sent out to all member companies. This year 10 new classifications are being added to the salaried positions and 1 new classification to the hourly section. Surveys are due back at the Association by Friday, April 30th. A reminder: only companies that participate will get a copy of the results, so please take the time to fill out the surveys so you can have this vital wage information, ever more important in these economic times.



MTA List of Endorsed Service Providers

- ❖ **Blue Cross Blue Shield of Michigan/Blue Care Network** (health insurance)
- ❖ **Federated Insurance** (property & casualty insurance)
- ❖ **Fortis Benefits** (life, s&a, and dental insurance)
- ❖ **Freedom One Financial Group** (401(k) programs)
- ❖ **Hertz** (car rentals)
- ❖ **John M. Packer & Associates** (unemployment programs)
- ❖ **LDMI** (long distance phone programs)
- ❖ **Lower Electric, LLC** (energy supply)

For more information, contact MTA at 248-488-0300.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Feb 2004	181.9	541.7	630.1*
Jan	180.9	538.7	626.7*
Dec 2003	179.9	536.0	623.2*
Nov	180.2	536.7	624.2*
Oct	180.7	538.2	626.0*
Sept	181.0	539.2	627.0*
August	180.3	537.1	624.6*
July	179.6	535.0	622.2*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Feb 2004	186.2	557.9	648.7*
Jan	185.2	554.9	645.2*
Dec 2003	184.3	552.1	642.1*
Nov	184.5	552.7	642.8*
Oct	185.0	554.3	644.5*
Sept	185.2	554.7	645.2*
August	184.6	553.0	643.1*
July	183.9	550.9	640.7*
June	183.7	550.4	640.0*

Note: February 04 CPI-W represents a 1.5% increase from one year ago; CPI-U 1.7% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W— .2886674 CPI-U— .2870447

TOOL TALK®

A Publication of the Michigan Tooling Association

P.O. Box 9151 Phone (248) 488-0300
Farmington Hills, MI 48333 Fax (248) 488-0500

Managing Director — Robert Dumont

Copy Editor — Patricia Hoover

Layout / Proofing — Elaine Burger-Laskosky

TOOL TALK is distributed free to all MTA members.

Copyright © 2003 Michigan Tooling Association. All rights reserved.

Deadline for submission of news, articles, letters, cartoons and Marketplace items is the 15th of each month.

Send to MTA—Attention: **Tool Talk** Editor.