



**ACM**  
Aerospace Components  
Manufacturers

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**ACM UPDATE**  
**June 30, 2018**  
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**Aerospace Components Manufacturers, Inc.**

The World's *Aerospace Alley!*<sup>®</sup>

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### **PLEASE NOTE:**

**The ACM has moved its office.**

**New address is 350 Church Street, Hartford CT 06103**

**The mailing address remains PO Box 736, Rocky Hill CT  
06067**

**Phone number, fax number and email remain the same**

### **Business Development**

The Business Development Team held it's meeting on Tuesday, June 12<sup>th</sup> at 8:00am at The Lyceum, 227 Lawrence Street Hartford, CT.

The meeting was well attended with 44 members present and 6 guests.

Paul Murphy, ACM Executive Director, chaired today's meeting and announced new ACM Member **Floyd Manufacturing**, Cromwell, CT. Paul introduced **Alfanzo Floyd**, President, Floyd Manufacturing. Alfanzo briefed the membership on his business as a precision CNC machine shop offering turning, milling, broaching and sheet metal fabrication. They have 45 employee and run a 24/7 operation for the Automotive and Aerospace & Defense industries. The ACM membership welcomes Floyd Manufacturing as a new member bring total membership to 116 members.

**The Healthcare Industry:** The ACM having renewed its insurance policies with a new agency had conversations with the agency on the topic of **"Group Health Insurance for the ACM"**

The dialogue was very positive, and they came back to me with what I think is a novel and innovative concept to insure ACM members as individual companies but using the scale of economy to reduce rates and therefore premiums. The landscape for Insurance has changed dramatically and the new hybrid plans, as proposed, are worth a discussion within the ACM. There are ACM member

companies who use this agency and their hybrid plan and have experienced significant reductions in premiums. Therefore, we requested that **Sinclair Risk & Financial Management** present to the members at the June meeting.

- Paul Murphy introduced Matt Bauer, Marty Shea & Sam Proctor of **Sinclair Risk & Financial Management**. Matt Bauer, President, gave a brief presentation on the current health care industry noting that mergers and acquisitions, prescription drug costs, TV ads and the Opioid epidemic are all at an all-time high, and that the burden of Health-Care costs have skyrocketed and moved to the middle class. Matt presented an **ACM Branded Health Care Program** where cost saving opportunities could be realized. The advantages to ACM are a branded program that adds value to existing members through cost saving opportunities, greatly helps attraction and retention of employees and adds access to group data of consultative opportunities and additional initiatives. With Sinclair's turnkey solution they educate the employees on how to effectively utilize the health care plan. And by changing the behaviors those savings come back to the company. **I have attached the PowerPoint presentation from Sinclair for your review.** If you would like more information on how this can help your business to reduce health care costs, please contact Paul Murphy for further information.

## **Future Business Development Meetings: NO JULY MEETING**

**PLEASE NOTE that due to conflicts with other events we have moved some of the meeting dates.** The following is the 2018 schedule for Business Development Team meetings, all at The Lyceum(\*);

Tuesday, August 21<sup>st</sup> (\*) (This meeting will be moved to a new location as the Lyceum will be undergoing renovations, details forthcoming); Tuesday, September 11<sup>th</sup> (was Sept. 18<sup>th</sup> ; ACM golf outing on the 17<sup>th</sup>) Tuesday, October 9<sup>th</sup> (was Oct 16<sup>th</sup>; PWA Supplier Seminar that day) Tuesday, December 11<sup>th</sup>

Please note that Craig Musson, PWA will be a featured speaker for the September 11<sup>th</sup> meeting.

## **Industry News / Meetings / Tradeshow:**

**Feedback:** We look forward to members attending to provide feedback on these events.

- **Pedro Soto**, DRT, went to the GE Supplier Seminar and the message from GE was that it is paramount that Delivery and quality remain high and that the Leap program is to be on track by years end.

- **Michael Polo**, ACMT reported attending a PWA seminar for the top 50 suppliers. PWA stated that commercial issues are being resolved and that suppliers need to ensure raw material PO's are being placed and managed due to forging and castings moving leadtimes out.

## **Upcoming Industry Meetings**

-*AEROSPACE MEETINGS BRAZIL* International Business Convention for the aerospace industry. São José dos Campos, Brazil, June 19 - 21, 2018

-*FARNBOROUGH INTERNATIONAL AIRSHOW* International Airshow, Farnborough, UK, July 16-22<sup>nd</sup>

*AEROSPACE SUMMIT BRUSSELS* International Business Convention for the aerospace industry; Brussels, Belgium, September 19 - 20, 2018

*PWA SUPPLIER CONFERENCE* CT Convention Center, Hartford, CT October 16-17

*AVIATION WEEK MRO AMERICAS* International Business Convention for the aerospace MRO industry; Orlando Florida; April 10-12, 2019

## Materials Procurement Update

**Material Resources Planning Team:** A collaboration among service center ACM member companies to report on factors influencing pricing, trends, availability & lead times for raw materials used in aerospace manufacturing.

**THE SMALLIDGE REPORT:** Tim Regan, Yarde Metals updated the membership on activities and trends of the metals industry.

- Much of the report centered around effects of the imposed tariffs through Section 232. Tim also reported that the industry is nervous over new talks aimed at tariffs on trading partners could start a trade war an further effect the metals industry as prices would rise and material leadtimes would move out even further. Aluminum billet has seen a 21% increase and available billet is scarce. Talk has 6061 plate realizing a 25% tariff on July 1st and that nickel has increased 75% from a year ago. Timet announced a 5% increase on titanium. It was also noted that freight costs are rising. There is still much uncertainty in the metals markets. Prices continue to climb and leadtimes are moving out significantly. Especially impacted are castings and forgings with some suppliers moving out existing orders on the books.

We look forward to continuing these informative presentations at the monthly meeting.

### **Roundtable Discussion:**

- Paul Murphy informed the members that CONNSTEP and CBIA are merging as CONNSTEP will be an affiliate of CBIA. CONNSTP has provided office space to ACM and with the new affiliation CBIA has offered office space to ACM and ACM has accepted the offer and will be moving to 350 Church Street, Hartford. The move is scheduled for the 28<sup>th</sup> and 29<sup>th</sup> of June.
- There was a great deal of discussion centered around hiring and the need of qualified candidates to fill the open positions. Paul Murphy informed the members of the DOL Training Grant and that the WorkForce team would be meeting on June 14<sup>th</sup> to start the process of selecting classes and courses. More info to come in the near term
- Members conducted a roundtable discussion of current issues in the industry, in which conversations are always candid therefore details are omitted from these Minutes.

## Workforce Development

The Workforce Team is working on securing classes and quotes to support the DOL grant that has been submitted. **The Workforce Team met on June 14<sup>th</sup> at Paridigm Precision Corporate Headquarters in Manchester, CT.** The meeting was attended by 21 members. Paul Murphy briefed the members on how the grant is to be utilized and what needs to be done. A roundtable discussion was held and all members voiced what training needs were required for their businesses. In all 41 topics were discussed and 25 were deemed as ones to focus on in getting providers and quotes. A subcommittee was formed and mee on Tuesday June 26<sup>th</sup> to further downselect providers and courses. We then need to submit the classes/seminars, providers and quotes we are planning to implement to support the grant. Courses are targeted to commence in late August and run for 9 months.

This is a joint program of the Connecticut Department of Economic and Community Development and the Connecticut Department of Labor. The grant is a 50% shared reimbursement. The ACM is the grant holder and will submit all the paperwork. **This grant is a fantastic way to train your incumbents at half the normal cost.** It is also a great tool for the attraction and retention of employees **and another valuable benefit of membership.** Our traditional ACM classes will also be supported by this grant submittal. Stay tuned as more information will be forthcoming.

## Progressive Manufacturing

The Progressive Manufacturing Team is planning a July meeting at Peerless Precision in Westfield MA. as a follow up to the well-attended Additive Manufacturing Seminar that was held in May. The purpose of the meeting is to discuss how ones' business can initiate the process of investigating how Additive Manufacturing may suit their business needs. More information will be forthcoming.

### Topics of Interest

**News from the Legislative Session:** Special thanks to Melissa Biggs for the update.

Lawmakers returned to Hartford Monday June 25<sup>th</sup> to reconsider legislation that was vetoed by Gov. Dannel P. Malloy. Malloy vetoed seven items this session — five Senate bills and two House bills. Early indications showed that there was an appetite to overturn at least two vetoes, while there's heavy lobbying going on for the others.

Malloy vetoed Bill [SB 261](#), which would have extended the manufacturing apprenticeship tax credit to the personal income tax, allowing the owners and partners of qualifying companies organized as partnerships, limited liability companies, and other pass-through entities to claim the credit against that tax. The bill passed the Senate 36-0 and the House 148-0.

Malloy objected to the bill because it was not accounted for in the state budget.

"This bill, while ostensibly helpful to small businesses, would allow individual business owners and shareholders to reduce their individual personal tax liability, potentially to zero," Malloy said in his veto message. "That is the same flaw I pointed out when I vetoed a similar bill in 2016. This bill would result in a loss of \$650,000 in revenue per year, an impact not accounted for in the amended budget I signed earlier this year."

On June 25th the legislature reconsidered five bills. None of them received enough support for re-passage so the vetoes are all sustained.

The Senate motioned to reconsider [SB 261](#) concerning the manufacturing apprenticeship tax credit. The bill would have extended manufacturing apprenticeship tax credit to the personal income tax, thus allowing owners and partners of pass-through entities to claim it against that tax. Current law limits the credit's application to businesses that are organized as corporations and hire apprentices. The Senate voted 18 - 13 on the matter, failing to reach the necessary two-thirds threshold. Senator Hartley spoke in favor of the proposal, noting the State's retiring workforce and the need to keep its manufacturers competitive. She acknowledged that the legislature could refine the bill to be specific to companies with less than 100 employees, making it a more exclusive benefit for smaller manufacturers. There was conversation about the General Assembly possibly reconvening to pass an amended version of the bill

**CONTACT YOUR LESISLATOR if you approve of an amended version of the bill.**

**S.B. 261: AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP TAX CREDIT TO PASS-THROUGH ENTITIES.** This bill extends the manufacturing apprenticeship tax credit to the personal income tax, thus allowing owners and partners of pass-through entities to claim it against that tax. Because current law limits the credit's application to the corporation business tax, only businesses that are organized as corporations and hire apprentices may currently claim it. Although current law allows pass-through entities, such as partnerships, limited liability companies (LLCs), and S corporations, to earn the credit, they can only sell, assign, or transfer it to a corporation, utility company, or petroleum products distribution company for application against their respective taxes. The bill ends this practice. By law, the manufacturing apprenticeship credit is available for each apprentice. It equals the lesser of \$6 per hour, \$7,500, or 50% of the actual apprenticeship wages. The period for claiming the credit depends on the apprentice's program duration: the program's first year for a two-year program and the first three years for a four-year program.

## **A Few Minutes with Murph**

On June 19th an email requesting a response of your businesses intent to display at the ACM WorkForce Fair and Tradeshow was sent. For all who replied thank you, **for those who haven't responded please do so immediately.**

**Future WorkForce Opportunities and Aerospace Alley® Tradeshow will take place on Wednesday November 7th at the Ct Convention Center**

The World's *Aerospace Alley!*®

**Featured Guest Speaker**

***Marc Vibes, Director Strategic Procurement AIRBUS***

We have requested that **Mr. Vibes** bring some of his procurement team with him to the Tradeshow. Planning for an event this large must begin now and **I am requesting your prompt response to confirm your businesses intent to participate as a displayer.** Please respond by email to Paul Murphy [pmurphy@acm-ct.org](mailto:pmurphy@acm-ct.org) of your company's intent to display along with the persons name and contact info for future logistical information be sent to. I need this info to make floor arrangements for booths so PLEASE RESPOND PROMPTLY, thank you. Registration for this event will take place in late August.

**As part of your ACM Membership this comes at no cost to you, I would like to think that all companies would display.**

### **Doing Business in CT 2018 5<sup>th</sup> Edition**

The publication linked below is the 5th annual edition of **Doing Business in Connecticut.** It was conceived and designed, to be the comprehensive guide on what should put Connecticut first on your list of places you are considering to start, build and run a business. We have assembled the resources you'll need, and an introduction to the organizations and the experts who can help you on your journey. In these pages, we, the **Hartford Business Journal**, along with the many economic-development stakeholders enthusiastically committed to the special place that is Connecticut — hope to introduce you to myriad assets that Connecticut has to offer you and your enterprise. From our highly educated workforce to our great quality of life, along with the advantages of our world-class education providers and our position as a technology hub with access to major markets, Connecticut has it all.

### **TOP 5 REASONS TO GROW YOUR BUSINESS IN CONNECTICUT**

**Strategic Location-** equidistant from New York & Boston; proximity to customers and prospects.

**A Great Educational System-** priming the talent pipeline is one of the nation's best educational system. Our K-12 education is ranked #4 in the country by US News and World Report.

**Passion for Innovation-** CT businesses have long been at the forefront of innovation and advances in manufacturing. Here is where Aerospace Alley® lives and thrives.

**Highly Skilled Talent-** CT workforce is characterized as smart, resourceful employees who think big and work hard. Ranks # 3 in US for adults with master's & #6 for science and engineering doctorates.

**Exceptionally Productive Workforce-** focus on productivity. If CT were a country, CT would be the 6<sup>th</sup> most productive country in the world, ahead of Germany, Japan and Hong Kong.

**To view the entire publication please click on the link below.**

<https://nebusinessmedia.uberflip.com/i/992084-doing-business-in-connecticut-2018/0>

## News from ACM Members

LIFETIME ACHIEVEMENT AWARDS 2018 JUNE 8<sup>TH</sup> HARTFORD BUSINESS JOURNAL; ANDY THIBAUT



**Howard Orr**

### Guts, diligence, hands-on leadership define Orr's career, volunteer work

On a Sunday 40 years ago, electron beam welder trainee **Bob Balboni** walked onto the floor at KTI Inc. in East Windsor and found the owner, **Howard Orr**, working the line.

"This guy's out on the floor actually running a machine," recalled Balboni, who now works on a process-improvement team at KTI. "He did whatever needed to be done.

Orr, now 71, was comptroller of KTI in 1971. He became debtor in possession and ultimately president at age 24 as the company emerged from bankruptcy and long-term litigation over proprietary technology.

"I didn't know what I was doing but I had guts," Orr said. "Because of my ambition and wanting to succeed, I dedicated my time and efforts even though I had very little business experience. I'm proud that we refinanced and grew the company."

Click the link for the full, and interesting story on **Howard Orr** [CLICK HERE](#)

JUNE 19, 2018

### NY firm acquires Chester aerospace supplier

NATALIE MISSAKIAN

Chester-based manufacturer **AeroCision**, a jet engine parts supplier for Rolls Royce and others, will merge with a UK-based company after a recent acquisition by a New York private equity firm.

Liberty Hall Capital Partners, which invests in businesses serving the aerospace and defense industries, said it plans to integrate AeroCision with Bromford Industries, purchased by Liberty Hall in 2016. Bromford is a global supplier of complex, close-tolerance engine components for the aerospace and power generation industries.

"As the industry continues to see dramatic growth in the delivery of next generation, fuel-efficient engines, we believe the acquisition of **AeroCision** is highly strategic to Bromford and fully supports our vision of building a fully-integrated, diversified engine component supplier," Rowan Taylor, founding partner of Liberty Hall, said in a statement. Citizens Bank provided financing for the acquisition. Terms of the deal were not disclosed.

**AeroCision** describes itself as a leading supplier of complex engine components and assemblies for the global aerospace industry. It supplies many of the key aerospace engine platforms, with Rolls Royce, GE Aviation and Honeywell among its top customers.

It employs more than 65 people at its Chester facility and also has a joint venture in Bangalore, India.

Reach Natalie Missakian at [news@newhavenbiz.com](mailto:news@newhavenbiz.com)

**ACM Annual Golf Tournament** will be held on Monday September 17<sup>th</sup> at Suffield Country Club. **A first come first serve notice will be sent out in early July. Be sure to promptly respond to secure your spot.**