

Ohio Matters

An Official Publication of *The Ohio Chamber of Commerce*

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Wrapping up 2016

By Rich Thompson, Director, Political Programs

ELECTION 2016: PRO-BUSINESS CANDIDATES PREVAIL



Rich Thompson

As we digest the 2016 election, it is clear that the old adage, "To win the presidency you must win Ohio," held true.

Donald Trump will become the 45th president of the United States following one of the wildest election nights our nation has ever seen. In Ohio, Trump held on to a 51.9 to 43.3 percent victory. This percentage lead is the largest victory in an Ohio presidential election since George H.W. Bush defeated Michael Dukakis by 10.9 points in 1988.

ROB PORTMAN WINS SECOND TERM IN U.S. SENATE, ALL INCUMBENTS WIN U.S. CONGRESSIONAL RACES

In Ohio's Senate race, Sen. Rob Portman routed former Gov. Ted Strickland in what was a crucial battleground state. While nationally, Democrats initially had high hopes that they would be able to oust Portman with high-profile candidate Strickland, they quickly faced insurmountable fundraising deficits and outside spending on behalf of Portman's campaign. Portman ultimately came out on top, 58.3 to 36.9 percent. There were no surprises in any of the 16 Ohio Congressional Districts, as all of

the incumbent members won by comfortable margins. In Washington, D.C., Ohio is now represented by one Republican senator and one Democrat senator, and 12 Republican members of the House and four Democrat House members.

DEWINE WINS OPEN SEAT FOR OHIO SUPREME COURT; FISCHER LOOKS TO HAVE WON; O'CONNOR UNOPPOSED

The Ohio Chamber of Commerce Political Action Committee (OCCPAC) endorses Ohio Supreme Court candidates who have a judicial philosophy of not legislating from the bench. Thus, the three judicial candidates endorsed in 2016 share this philosophy. It was the race between OCCPAC-endorsed Judge Pat Fischer and Cuyahoga Common Pleas Judge John O'Donnell that got the most attention down the stretch. The Supreme Court has been a priority for the Ohio Chamber and the business community for many years, and it was critical that Fischer take the seat. As of this printing, Fischer is up by a very narrow 1-point margin, 50.30-49.70 percent, with provisional ballots yet to be counted.

The second Supreme Court seat was not expected to be nearly as competitive, and it wasn't. OCCPAC-endorsed Judge Pat DeWine defeated Judge Cynthia Rice 56.4 to 43.5 percent. DeWine's name recognition

was certainly helpful in his first bid for statewide office.

Also endorsed by OCCPAC, Chief Justice Maureen O'Connor was unopposed in her bid for re-election to Ohio's high court.

GENERAL ASSEMBLY REPUBLICANS GAIN HISTORIC MAJORITIES

All 74 OCCPAC General Assembly-endorsed candidates won re-election, including seven Chamber Choice candidates.

The Ohio House GOP has picked up the largest majority by a caucus in the history of the Ohio House. With Jay Edwards winning the open seat for House District 94, House Republicans stand with 66 seats to the Democrats' 33 seats.

On the Senate side, Sen. Lou Gentile was the only incumbent to lose. Political newcomer Frank Hoagland came out on top in the 30th Senate District that covers portions of Ohio's Appalachian region. Republicans in the Senate will have 24 seats, with the Democrats holding nine seats in the 132nd Ohio General Assembly. We'd like to thank our members who helped make all of our endorsed candidates successful.

The list of all of the OCCPAC endorsed General Assembly winners is as follows.

*Denotes Chamber Choice candidate
Not a current member of the Ohio General Assembly

Ohio House of Representatives

HD 1 Scott Wiggam-R #
HD 2 Rep. Mark Romanchuk-R
HD 3 Rep. Theresa Gavarone-R
HD 4 Rep. Bob Cupp-R
HD 5 Rep. Tim Ginter-R *
HD 6 Rep. Marlene Anielski-R
HD 7 Sen. Tom Patton-R
HD 12 Rep. John Barnes-D
HD 16 Dave Greenspan-R



QUICK GLANCE

Chamber-endorsed candidates come out ahead.

In the House, Republicans will hold 66 seats, Democrats 33.

In the Senate, Republicans will hold 24 seats, Democrats nine.

HD 19 Rep. Anne Gonzales-R
HD 21 Rep. Mike Duffey-R
HD 24 Sen. Jim Hughes-R
HD 28 Rep. Jonathan Dever-R
HD 29 Rep. Bill Blessing-R
HD 30 Rep. Bill Seitz-R
HD 36 Rep. Anthony DeVitis-R
HD 37 Rep. Kristina Roegner-R
HD 38 Rep. Marilyn Slaby-R
HD 40 Rep. Michael Henne-R
HD 41 Rep. Jim Butler-R
HD 42 Rep. Niraj Antani-R
HD 43 Rep. Jeff Rezabek-R *
HD 47 Rep. Derek Merrin-R
HD 48 Rep. Kirk Schuring-R
HD 50 Rep. Christina Hagan-R
HD 51 Rep. Wes Retherford-R
HD 52 Rep. Margaret Conditt-R
HD 55 Rep. Nathan Manning-R *
HD 59 Rep. John Boccieri-D
HD 61 Rep. Ron Young-R
HD 62 Scott Lipps-R #
HD 66 Rep. Doug Green-R
HD 67 Rep. Andy Brenner-R
HD 68 Rick Carfagna-R
HD 69 Rep. Steve Hambley-R
HD 70 Darrell Kick-R #
HD 71 Rep. Scott Ryan-R
HD 72 Larry Householder-R
HD 73 Rep. Rick Perales-R

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*In 2016, we all worked
toward greater outcomes.*

*Together, we all shared
greater success.*

We're all for Ohio.

Thank you for your membership with the Ohio Chamber. By working together, we're going to make 2017 Ohio's best year yet as we bring you:

- A redesigned website
- A new membership portal
- A fantastic annual meeting
- An informative policy conference at Salt Fork

And we're doing this all while carrying out our mission to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans.



By Mike DeWine, Ohio Attorney General

CYBEROHIO INITIATIVE AIMS TO HELP OHIO BUSINESSES

We live in an unprecedented era of connectedness. From our mobile devices or computers, we can instantly communicate with loved ones, purchase products from anywhere in the world and even turn up the heat in our homes. However, the convenience of technology can come at a high cost.

Every day, cybercriminals launch sophisticated cyberattacks targeting businesses and the personal information of Ohioans. A recent example is the attack on Dyn Co., an internet domain name services provider. Dyn was hit with one of the largest denial of services attacks on record. The attack was accomplished using malware that caused internet-enabled home devices, such as DVRs, security cameras and baby monitors, to attack Dyn. The attack shut down websites throughout the East Coast, including those of Netflix, CNN and Twitter, costing Dyn and the affected businesses millions of dollars in lost revenue and damages.

No organization is exempt from attacks like this. Business owners across Ohio must spend significant financial resources to defend against and respond to cyberattacks.

The cybersecurity playing field can often seem one-sided in favor of the hackers. Cybercriminals only have to be right once to get into an organization's IT infrastructure, but businesses must get it right every time. Dyn had significant protections in place, and yet it was stopped from doing business. And Dyn is not alone. It joined the ranks of several other businesses, including Yahoo, Target and Home Depot that, over the last few years, have suffered significant cyberattacks.

To try to level the playing field, I announced the creation of the CyberOhio initiative. The purpose of CyberOhio is simple — to help businesses protect themselves against cyber threats.

I've put together a Cybersecurity Advisory Board to assist with industry expertise, guidance, advice and practical suggestions for dealing with cybersecurity challenges. Kirk Herath, vice president and chief privacy officer for Nationwide Financial Services, will chair the advisory board.

In addition to Nationwide, a cross-section of industries and organizations is represented



Ohio Attorney General Mike DeWine announces formation of CyberOhio Initiative.



on the advisory board, including Abercrombie & Fitch, Battelle, Cardinal Health, Cleveland-Marshall College of Law, Columbus Collaboratory, Deloitte, elnformatics, Lunarline, OhioHealth, The Ohio State University, Rev1 Ventures, Steris, the U.S. Department of Energy, U.S. Bank, Wendy's, Western & Southern Financial Group and XLNsystems.

CyberOhio will include several different components, ranging from proposing legislation that will help businesses thrive in a high-risk cybersecurity environment to business trainings, information sharing, an internship program and the creation of a Cyber and Privacy Unit within the Ohio Attorney General's Office.

It is our goal to help create the best legal, technical and collaborative cybersecurity environment possible for Ohio. By helping businesses, we ultimately better protect the Ohioans who trust their information to these businesses.

If you would like to subscribe to our CyberOhio email listserve to receive tips and threat information, please send your email address to Craig.Rapp@OhioAttorneyGeneral.gov.

By Keith Lake, Vice President, Government Affairs

MUCH ACCOMPLISHED, WITH MORE TO DO

A reflection of our accomplishments, with a look toward the future



Keith Lake

While there was obviously a monumental change in direction at the federal level as a result of the November election, here at the state legislative level, Ohio voters essentially affirmed the status quo. Although both the Ohio Senate and Ohio House Republican caucuses each added one seat to their already historically high margins, this

does nothing to change the balance of power in the Ohio General Assembly.

Even at the legislative leadership level, the changes shouldn't significantly impact the political landscape as we enter 2017 and the beginning of a new two-year session. That's because Speaker Cliff Rosenberger will once again preside in the House, while Sen. Larry Obhof — already holding the No. 2 position in Senate leadership — will likely ascend to the Senate presidency. Both minority leaders, Sen. Joe Schiavoni and Rep. Fred Strahorn, are also back. And still in power is Gov. John Kasich, now entering the final two years of his time as governor.

Solid pro-business majorities will continue to prevail in both the Senate and the House. As a result, working together with the governor, we can expect the legislature to continue making building a better business climate a priority — just as it has over the past six years. This, obviously, is good news for Ohio employers.

A number of key pieces of legislation backed by the Ohio Chamber were passed just in the past two years. These include a budget containing a \$1.2 billion tax cut, a bill that prevents drastic increases in workers' compensation costs due to motor vehicle accidents caused by third parties and a plan to pay off Ohio's federal unemployment compensation debt that will save Ohio employers approximately \$351 million in unemployment taxes.

The governor and legislative leaders are also committed to addressing two other important business issues before the end of the year. One is comprehensive reform — long overdue — of our broke and broken unemployment compensation system, and the other is protecting employers from the escalating costs associated with Ohio's energy mandates.

Assuming the legislature clears the decks of these two issues during the waning days of this session, what will

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ELECTION 2016: PRO-BUSINESS CANDIDATES PREVAIL

- HD 74 Rep. Bill Dean-R
- HD 76 Rep. Sarah LaTourette-R
- HD 77 Rep. Tim Schaffer-R
- HD 78 Rep. Ron Hood-R
- HD 79 Rep. Kyle Koehler-R *
- HD 80 Rep. Steve Huffman-R
- HD 81 Rep. Rob McColley-R
- HD 82 Craig Riedel-R #
- HD 83 Rep. Robert Sprague-R
- HD 84 Sen. Keith Faber-R
- HD 86 Rep. Dorothy Pelanda-R
- HD 87 Wes Goodman-R #
- HD 88 Rep. Bill Reineke-R
- HD 89 Rep. Steven Arndt-R *
- HD 90 Rep. Terry Johnson-R
- HD 91 Rep. Cliff Rosenberger-R

- HD 92 Rep. Gary Scherer-R
- HD 93 Rep. Ryan Smith-R
- HD 95 Rep. Andy Thompson-R
- HD 97 Rep. Brian Hill-R
- HD 98 Rep. Al Landis-R

Ohio Senate

- SD 2 Sen. Randy Gardner-R
- SD 4 Sen. Bill Coley-R
- SD 6 Sen. Peggy Lehner-R
- SD 8 Rep. Lou Terhar-R
- SD 10 Sen. Bob Hackett-R
- SD 12 Matt Huffman-R #
- SD 14 Sen. Joe Uecker-R
- SD 16 Rep. Stephanie Kunze-R *

- SD 18 Sen. John Eklund-R
- SD 20 Sen. Troy Balderson-R
- SD 22 Sen. Larry Obhof-R
- SD 24 Matt Dolan-R *#
- SD 26 Sen. Dave Burke-R
- SD 28 Vernon Sykes-D #

We look forward to working with all of the members of the Ohio General Assembly in the New Year as we aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans. 🇺🇸

Note: Unofficial results were used in this article as the races had yet to be certified by publication deadline.

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MUCH ACCOMPLISHED, WITH MORE TO DO

2017 bring by way of a pro-jobs business agenda that will help grow Ohio's economy? The Ohio Chamber's public policy agenda will be finalized in December, but we will be advocating reform proposals in several areas.

One is in the area of workers' compensation reform. Although Ohio employers have recently benefited from sound fiscal management by the Bureau of Workers' Compensation, culminating in employers receiving significant refunds, little has been done to close loopholes and address harmful court decisions that expand benefit eligibility beyond statutory intent. The Ohio Chamber will be pushing for cost-saving reforms that ensure our system is competitive with employer costs in other states.

Perhaps at the top of the priority list is fixing the state's confusing and burdensome employment discrimination statutes. Ohio's laws are an outlier, both among states and when compared to similar federal statutes. That's why we'll be advocating for legislation to improve these statutes by increasing uniformity with federal law, thus allowing for greater predictability and consistency while maintaining robust protections for employees.

Another ongoing threat to a healthy economy is the proliferation of statewide ballot issues. Mostly pushed by out-of-state groups pursuing political agendas, statewide ballot issues frequently put the business community on the defensive, forcing difficult and costly campaigns to fight them off. These campaigns waste resources, and something must be done.

TACKLING THE STATE'S OPERATING BUDGET

Action on these important reforms, however, will take at least a temporary backseat to enactment of the state's operating budget. Always the most time-consuming and comprehensive single piece of legislation during any two-year General Assembly session, the next biennial budget, for fiscal years 2018 and 2019, stands to be the tightest, most difficult budget since Kasich's first budget in 2011, when the state was staring down a budget shortfall of nearly \$8 billion.

The governor will take the lead on the budget, as he is required to propose a balanced executive budget that will serve as the starting point for legislative action. He is expected to reveal his proposal in early February.

Perhaps at the top of the priority list is fixing the state's confusing and burdensome employment discrimination statutes.

It comes at a time when many national economists foresee an increased probability of a recession, and current fiscal year revenue collections are already coming in under projections. Through the end of October 2016, Ohio's tax collections are \$160 million, or 2.2 percent, below forecast. This includes shortages in nearly every major tax category, including sales, commercial activity and personal income, and we're only a third of the way through the fiscal year.

On top of these troubling trends and general economic concerns, the state starts out behind the eight ball in another significant way. That's because the Ohio sales tax levied since 2009 on services purchased by Medicaid managed care programs is not permissible under federal guidelines, and the state will have to devise another tax policy that is. This sales tax generates \$1.1 billion in state tax revenue and nearly \$400 in piggyback county tax receipts – in other words, we're looking at a \$1.5 billion shortfall. As a result of these challenges, state agencies have been directed by the Kasich administration to limit their budget requests to a maximum of 90 percent of FY 2017 appropriations.

Next year's budget process will also likely include a continuation of the tax policy debate that has occurred virtually every year since Kasich took office in 2011, with the governor relentlessly pursuing reductions in personal income tax (PIT) rates.

Although the Ohio Chamber generally supports reducing the state's PIT rates, our primary tax policy objective is to ensure that any tax policy changes are balanced, do not raise broad business taxes or impose other harmful tax shifting onto Ohio businesses and contribute to a more consistent business operating environment that promotes job growth. We will continue to give voice to this perspective throughout the budget process.

With a new president in Washington, there's a sense of optimism that one of the biggest challenges stifling greater economic growth – costly, burdensome and intrusive federal regulations – will come to a halt and even be reversed. This would mean that additional steps to grow Ohio's economy, such as the ones discussed above, will be that much more beneficial to Ohio businesses. 📌

By Dee Mason, President of Working Partners

THE EMPLOYER'S ROLE IN PROVIDING A DRUG-FREE WORKPLACE

According to Quest Diagnostics, the industry leader in drug testing, the rate of positive workplace drug tests has steadily and significantly decreased since the late 1980s, with the exception of a slight increase in 2003 that fell again the following year. Then in 2013, the rate of positive tests for illicit drug use increased and has not stopped increasing since, with the rate of positive tests reaching a 10-year high in 2015.

- 2013 – 4.3 percent increase in rate of positive tests from the year prior
- 2014 – an additional 9.3 percent increase
- 2015 – an additional 2.6 percent increase

This rise is cumulative across several categories of drugs. The greatest culprits are amphetamines, marijuana and heroin, and positive testing for each has increased annually for the past five years. However, prescription drug abuse has eased; for example, nationally, Quest's survey illustrates that the oxycodone positive rate has declined each year since 2011.

Ohio's diverse efforts over the past six years have shown marked progress in combatting the prescription drug abuse problem. Since the Ohio Bureau of Workers' Compensation implemented a pharmacy management program in 2011, the total number of opioid overdoses for injured workers has declined by 41 percent, and the average daily opioid load per injured worker in 2015 was below 2003 levels.

Unfortunately, taking the place of prescription medication abuse, the rate of the use of heroin (whose high is akin to that offered by prescription pain meds) is increasing. The number of employees testing positive for heroin has increased 146 percent since 2011, according to the survey. And the Centers for Disease Control and Prevention reports that heroin use jumped 63 percent between 2012 and 2013, with some of the greatest increases occurring in demographic groups with "historically low rates of heroin use: women, the privately insured and people with higher incomes."

WHAT ACTIONS CAN AN EMPLOYER TAKE?

With the overwhelming increase in drug use, coupled with a low rate of unemployment (Ohio's was 4.7 percent as of August 2016), many employers are challenged to hire and keep drug-free employees. However, there are best-practice measures employers can take to support both their workers and their bottom lines.

- **Written company policy.** Publish the company's position on employees coming to work or operating under the influence of a drug – any drug – that can



compromise their ability to produce and work safely. Spell out measures the company will take to ensure this safe practice and what employees should do if they think they have a problem.

- **Supervisor training.** Train supervisors how to recognize if an employee seems "off," and support them with training and policy directives to know how to intervene.
- **A plan for assistance.** Identify services for employees or their family members who need help with misuse or abuse issues. These can include:
 - Publicly subsidized community services, which we are all supporting with tax dollars
 - Specially negotiated arrangements with a private service provider
 - A broad-brush Employee Assistance Program paid for through a contract (generally \$20 to \$60 per employee) between the EAP and the company, covering prepaid counseling sessions for employees and their family members

With each of these options, the proven return on investment increases.

- **Employee education.** Educate employees about avoiding the life damage that can be caused by drug misuse and abuse (whether accidental or by purpose), the company's policy and the resources that the company has researched, identified and/or is making available to the worker and/or their family members.
- **Drug testing (as appropriate).** Institute a systems-presence testing program (i.e. drug testing) so when an employee seems off, the company has an objective, scientific approach to verifying if drugs are involved. Taking any adverse employment action should be based on trained management observation, objective standardized practices and scientific verification that drugs are involved. (Although an employer receives a test result with an opiate category, it is important to understand that

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By Brian Hall, attorney, Porter, Wright, Morris & Arthur LLP

‘CAT’S PAW’ DECISION HIGHLIGHTS INVESTIGATIONS BEFORE TERMINATION

In 2011, the U.S. Supreme Court, in *Staub v. Proctor Hospital*, 130 S.Ct. 2089 (2010), endorsed the “Cat’s Paw” theory of liability in an Uninformed Services Employment & Reemployment Rights Act (USERRA) case.

The theory originated with Judge Richard Posner in a Seventh Circuit discrimination case and is derived from an Aesop Fable, in which, according to Posner, “A monkey induces a cat by flattery to extract roasting chestnuts from the fire. After the cat has done so, burning its paws in the process, the monkey makes off with the chestnuts and leaves the cat with nothing.”

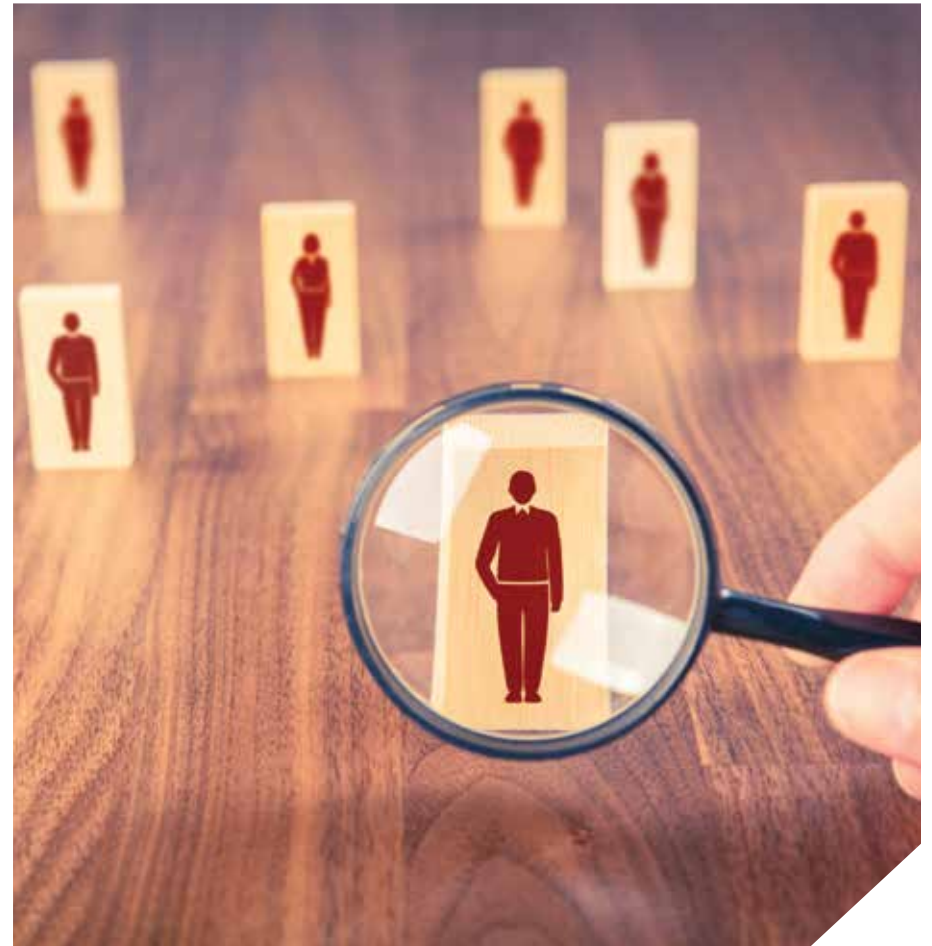
The analogy has been used by subsequent courts to hold an employer liable for an employee termination that is based on information from a supervisor with discriminatory or retaliatory intent, even if the biased supervisor did not participate in the adverse employment decision. A Second Circuit decision issued at the end of the summer took the “Cat’s Paw” theory one step further when it upheld an employer’s liability under Title VII when the adverse employment decision was influenced by the retaliatory intent of a low level co-worker who had no supervisory responsibilities.

Here’s what happened in *Vasquez v. Empress Ambulance Service, Inc.*, ___ F.3d ___, 2016 U.S. App. LEXIS 15889 (2d Cir. 2016). The plaintiff’s co-worker sent her a sexually graphic photograph via text message. Upon learning that the plaintiff intended to complain to management about his behavior, the co-worker somehow manipulated the text messages on his phone to make it appear that the plaintiff was a willing participant in sexual banter and, in fact, that he was the one who had been sexually harassed by the plaintiff. In reliance on the co-worker’s “evidence,” the employer terminated the plaintiff for making a false claim of harassment.

In an effort to avoid termination and to have her own case heard, the plaintiff offered to show the employer her cell phone in order to refute her co-worker’s account of what happened, but the employer apparently was not interested. The plaintiff then brought this action in federal district court against the employer alleging that she was retaliated against for her complaints about sexual harassment.

The district court dismissed the complaint on the grounds that the employer could not be held liable for the retaliatory intent of a low-level employee who had no decision-making authority. The Second Circuit disagreed, however, stating that, “An employee’s retaliatory intent may be imputed to an employer where, as alleged here, the employer’s own negligence gives effect to the employee’s retaliatory animus and causes the victim to suffer an adverse employment decision.”

In short, the Second Circuit faulted the employer for conducting a negligent investigation into the plaintiff’s complaints and concluded that the employer should have known of the plaintiff’s co-worker’s retaliatory



Therefore, the court would not permit the employer to escape liability based on the decision-makers’ own purported lack of unlawful intent, even though the plaintiff’s co-worker was a low-level employee with no supervisory authority.

intent. Therefore, the court would not permit the employer to escape liability based on the decision-makers’ own purported lack of unlawful intent, even though the plaintiff’s co-worker was a low-level employee with no supervisory authority. In other words, the court concluded that the employer’s own negligence provides an independent basis to hold it accountable for its employees’ unlawful conduct.

TAKEAWAYS

Although this case arises in the Second Circuit, which covers New York, Connecticut and Vermont), all employers would be wise to learn a lesson from the *Vasquez* decision; that is, they should conduct a thorough and impartial investigation, particularly when an adverse employment decision will turn on information provided by a co-worker.

At a minimum, employers should consider whether the co-worker might have a discriminatory, retaliatory or other biased motivation for providing the information and will want to test the accuracy and completeness of the information being provided before making any decision. Part of conducting a meaningful investigation also necessarily will include giving the employee about to be terminated an opportunity to be heard and to demonstrate the bona fides of his or her position. Had the employer in *Vasquez* permitted the plaintiff to defend herself, it likely could have avoided what appears to be a nasty lawsuit.

Also, although *Vasquez* involved an employee termination, the Second Circuit’s opinion will apply to any adverse employment decision, whether it be the denial of a promotion, or forms of discipline other than termination. In addition, although *Vasquez* was a retaliation case, it also will apply to cases of alleged discrimination. Finally, the *Staub* case that started it all was filed under USERRA, so there is no reason to believe that the logic of the Second Circuit in *Vasquez* won’t extend to retaliation cases filed under the Family Medical Leave Act or other similar legislation that provides for a cause of action for retaliation. 📌

Brian Hall is a partner with Porter Wright Morris & Arthur LLP in Columbus. He helps companies effectively manage their full range of workforce issues. You can reach Hall at (614) 227-2287 or bhall@porterwright.com.

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THE EMPLOYER’S ROLE IN PROVIDING A DRUG-FREE WORKPLACE

unless it has made arrangements with its drug testing provider, it may not be testing for the drugs of abuse being featured in the media, such as Oxycodone (e.g., OxyContin®) and Hydrocodone (e.g., Vicodin®).

Overall, we are describing the elements that comprise a drug-free workplace program, which in today’s world is a necessary risk management program (economic and safety) for every business operator. The smaller a company is, the more likely it will inherit its unfair share of drug abusers. Why? Because the rate of use is increasing, and smaller companies have less time and fewer resources to focus on drug misuse or abuse until it becomes an acute problem requiring attention.

The Ohio Department of Mental Health and Addiction Services

(OhioMHAS) is currently working with 18 Ohio counties to coordinate access to the efficient, affordable services needed, especially by smaller employers, to implement and maintain drug-free operations. Contact your local chamber of commerce, your local treatment and recovery services board (e.g. ADAMH board) and ask if it is involved with the Drug-Free Workforce Community Initiative, or contact the Office of Treatment and Recovery, OhioMHAS, to ask how you can get involved. 📌

Working Partners is a nationally recognized expert in drug-free workplace issues. It is a member of the Ohio Chamber of Commerce and can be reached at www.workingpartners.com or (614) 337-8200.

By Samantha Cotten, Director, Public Policy Communications

FROM BURNING CANDLES TO BURNING WASTE

2016 All for Ohio series a success



Samantha Cotten

From August through October, the Ohio Chamber of Commerce embarked on an effort to further engage our members by visiting companies across the state. The All for Ohio series was designed to facilitate critical conversations among business leaders, Ohio Chamber staff and state legislators. The tours fostered in-depth conversations regarding how policy decisions impact the operations of Ohio businesses.

“Through this tour, we were able to engage in a more detailed discussion with our members and further understand how legislative issues affect each business, as well as have an open discussion with state policymakers,” says Keith Lake, vice president of government affairs at the Ohio Chamber.

This year, six companies participated in the All for Ohio tour.

- Vantiv, Cincinnati
- Root Candles, Medina
- Heritage Thermal Services, East Liverpool
- Petland, Chillicothe
- Ariel Corp., Mount Vernon
- Dynegy, Beverly

Based in Medina, Ohio, Root Candles manufactures premium quality religious and consumer candles.

“Root Candles genuinely appreciates the All for Ohio tour visit by the Ohio Chamber,” says Brad Root, president of Root Candles. “The direct discussion was constructive. Being one of the Ohio Chamber’s founding 55 companies, we have seen strong efforts over the past 12 decades to make sure that Ohio has a strong business and economic climate. For Root, the close working relationship of the Ohio Chamber with its members and with our Ohio Legislature is vital to the future success of manufacturing in Ohio.”

Although the companies on the tour vary in size and industry, they all face similar challenges when it comes to state policies impacting their business. Topics ranged from workforce development issues to the legalization of medical marijuana, unemployment compensation solvency, tax climate and the regulatory environment at the state level.

Heritage Thermal Services provides advanced incineration services for wastes generated by manufacturing and services industries and is one of only eight facilities of its kind in the United States.

“The Ohio Chamber of Commerce is a strong voice for small business on topics ranging from changes with OSHA rules to taxation to health insurance to environmental affairs,” says Stewart Fletcher, vice president of operations and general manager at the Heritage facility. “We value their contributions greatly as an advocate for business.”

The series was a great way for legislators across the state to get a firsthand look at how their decisions affect the business community. Additionally, it allowed for these decision makers to build better relationships with members located in the districts they represent. It also showed legislators that despite the diverse nature of Ohio Chamber members, there are important decisions that impact all businesses, regardless of size, industry or location.

The legislators and candidates who attended the visits were:

- | | |
|-------------------------|--------------------------|
| • Sen. Joe Uecker | • Rep. Darrell Kick |
| • Sen. Bill Seitz | • Rep. Tim Ginter |
| • Sen. Bill Coley | • Rep. Gary Scherer |
| • Rep. Margaret Conditt | • Sen. Bob Peterson |
| • Rep. Tom Brinkman | • Rep. Margaret Ann Ruhl |
| • Rep. Jonathan Dever | • Sen. Kris Jordan |
| • Rep. Ron Maag | • Sen. Jay Hottinger |
| • Rep. Lou Terhar | • Rep. Scott Ryan |
| • Sen. Larry Obhof | • Sen. Troy Balderson |
| • Rep. Steve Hambley | • Rep. Andy Thompson |

For more information on the All for Ohio tour, visit our blog allforohio.com and read more on the individual visits. If your company is interested in participating in the 2017 All for Ohio tour, please contact Samantha Cotten at scotten@ohiochamber.com.

By Brooke N. Bates

THE CANDY MAN CAN

How Tom Scheiman has grown Sweeties into the largest candy store in the country

Tom Scheiman’s office door opens into the aisles of Sweeties Candy, the largest candy store in North America. Customers often pop in to ask his help recalling the name of a nostalgic treat from their childhood, and Scheiman happily guides them through 16 aisles of colorful treats, 300 bulk candy bins, a 30-foot-long wall of jelly beans and a truckload of saltwater taffy. That totals more than \$3 million in delicious inventory, with more than 4,500 sweets in stock, weighing more than half a million pounds.

“Nobody can say they offer more candy than we do in variety or inventory levels,” says Scheiman, who has been selling candy for 46 years — since he was 15.

Sweeties evolved from a Cleveland-based wholesale candy company that started in 1950 as Bag a Sweet Candy Co. When Scheiman bought the business with his wife, Judi, in 1982, he inherited four employees in a 1,200-square-foot garage. He relocated the business to a larger facility and added retail, opening 10 more stores, which closed when recession struck. After a 1993 name change to b.a. Sweetie Candy Co. and another move to a larger location, Scheiman focused on growing one store instead of several.

The next recession was a turning point, proving his commitment to grow his company, even as wholesale customers closed.

“I made a major decision to invest in my business, start building inventory and taking market share — and it really paid off,” Scheiman says. “From that point, we’ve exploded.”

NOSTALGIC AND NEW

Most of Sweeties’ business is still wholesale — supplying 250 regional retailers — but it’s best known for stocking hard-to-find nostalgic candies.

It’s one of our largest-selling product categories,” Scheiman says, “although it’s dipping every year as our customers get older.”

Sweeties thrives by continuing to adapt as consumer tastes change.

“You have to be in tune with what’s going on,” says Scheiman, who’s adding organic candy as customers seek better-for-you options. He also offers single-color candy for weddings, selling \$1 million in color-specific sweets last year.

Making room for more candy, Sweeties began building a new candy warehouse on Brookpark Road in Cleveland in 2012, and Sweeties Golfland mini-golf course debuted that summer. The 40,000-square-foot store opened in January 2015 with twice as much space as the former location, higher ceilings for stacking, loading docks for efficient shipping and additional



“I made a major decision to invest in my business, start building inventory and taking market share — and it really paid off.”

Tom Scheiman, owner
b.a. Sweetie Candy Co.

aisles for more convenient shopping.

“Since we moved into this facility, foot traffic is up 50 percent,” Scheiman says, citing 400,000 retail customers in 2016 — not including the 45,000 golfers or the diners who visited Sweeties Soda Shoppe, which opened next to the retail store in May 2016. The farm-themed ice cream parlor serves 36 flavors of premium ice cream (made on site), 36 toppings and 200 soda varieties. At peak season, all three businesses employ 62 people.

“So far, the Soda Shoppe business has been incredible, but not without its challenges,” says Scheiman, who invested \$1.1 million, including \$250,000 in kitchen equipment and \$500,000 in décor including custom-made chicken coop lights, milk can barstools and swinging wooden seats.

“The whole reason for our success is that we sell at value pricing, so I wanted to do the same in the Soda Shoppe,” he says. “I didn’t want to overcharge, but because of the amount invested, the return isn’t as great as I wanted it to be. It doesn’t mean I’m disappointed in its revenue. I’m disappointed in my expenses, but you have to take the risk.”

Profits from the candy warehouse and golf course will support the Soda Shoppe while Scheiman makes adjustments. As soon as Golfland’s season ended in October, construction crews began updating the course for 2017. Shortly after, the retail storefront underwent a makeover, as Sweeties continues to grow.

“It’s all about controlled growth,” Scheiman says. “We’re still a really small business; we’re just large in what we do.”

THE OHIO CHAMBER IN ACTION

1. In September, the Ohio Chamber and several members of the Ohio General Assembly visited member company Vantiv in Cincinnati.
2. Our Chamber Choice reception in September was so successful that all of our Chamber Choice candidates won their races in November!
3. HR Academy Symposium hosted by the Saint Clairsville Chamber and Nelva Smith with Steptoe-Johnson was the presenter.
4. Bill Edwards and Mark Katz with Ulmer and Berne LLC present an Ohio Chamber HR Academy Human Resource and Employment Law seminar in October.



We'd like to recognize all of the new members who have joined the Ohio Chamber of Commerce this year (as of Nov. 3, 2016). **We're All for Ohio.**

American Airlines Inc., Phoenix, AZ
 American Interiors Inc., Toledo, OH
 AOZ Trucking Inc., Brunswick, OH
 Assembly & Test Worldwide Inc., Dayton, OH
 Baltimore Truck & Trailer Inc., Hebron, OH
 Barr Engineering Inc., Columbus, OH
 Bird Enterprises Inc., Millersburg, OH
 Bison Rapids Investments LLC, Defiance, OH
 Boscov's Department Store LLC, Reading, PA
 C & J Well Services Inc., Charleroi, PA
 Care Equipment LLC, Zanesville, OH
 Cedar Craft Products Inc., Blacklick, OH
 City Materials Services Inc., Youngstown, OH
 CI Products International LLC, Leesburg, OH
 Coit Services of Ohio Inc., Cleveland, OH
 Columbus Center for Human Services Inc., Columbus, OH
 Columbus Fish & Seafood LLC, Columbus, OH
 Comtech Global Inc., Columbus, OH
 Davies Pharmacy Inc., Canton, OH
 Deerfield Construction Co. Inc., Loveland, OH
 Double Eagle Club LLC, Galena, OH
 E&H Hardware Group LLC, Wooster, OH
 Fairhope Hospice & Palliative Care Inc., Lancaster, OH
 Fisher & Phillips LLP, Columbus, Ohio
 Fricker's Bowling Green LLC, Miamisburg, OH
 Fricker's North College Hill 107 LLC, Miamisburg, OH

Frutarom USA Inc., Cincinnati, OH
 Glazer's Distributors of Ohio Inc., Columbus, OH
 Great Work Employment Services, Akron, OH
 Hasty Service Inc., Toledo, OH
 Ziegler Heating Co., Ashtabula, OH
 HNTB Ohio Inc., Columbus, OH
 Honey Baked Ham Co., Alpharetta, GA
 Jack's Heating Air Conditioning & Plumbing Inc., Findlay, OH
 Jags Inc., Portsmouth, OH
 Komyo America Co. Inc., Troy, OH
 KTM Enterprises Inc., Greenville, OH
 L & M Equipment Co. LLC, Dayton, OH
 L B Brunk & Sons Inc., Salem, OH
 Lewis Jewelry Distributing Co. Inc., Beachwood, OH
 Licking Metropolitan Housing Authority, Newark, OH
 Logan Home Enterprises Inc., Kettering, OH
 Lutheran Outdoor Ministries in Ohio, Westerville, OH
 Maple City Ice Co., Norwalk, OH
 Martha Cochrane McConville Home for Aged Women, Steubenville, OH
 Metals USA Plates & Shapes Northeast LP, Ambridge, PA
 Miami Valley Housing Opportunities Inc., Dayton, OH
 Moeller Family Trust, Cincinnati, OH
 Nabors Corporate Services, Houston, TX
 New Albany Gardens & Care Center, Hilliard, OH
 October Enterprises Inc., Eaton, OH

Ohio Valley Painting Co. Inc., Dayton, OH
 Paragon Systems Inc., Herndon, VA
 Petland Inc., Chillicothe, OH
 Precision Mechanical Inc., Parma, OH
 Premier Ag Co-op Inc., Columbus, IN
 Reed Smith LLP, Philadelphia, PA
 Ridge Corp., Pataskala, OH
 S&K Mold & Tool Inc., Tipp City, OH
 Sawmiller LLC, Haydenville, OH
 Schroeder Masonry Inc., Leipsic, OH
 Sensical Inc., Solon, OH
 Sharonbrooke Inn Management Co., Newark, OH
 Slagle Mechanical Contractors Inc., Sidney, OH
 Southern Columbiana County Regional Chamber of Commerce, East Liverpool, OH
 Strongsville Hospitality LLC, Fairview Park, OH
 Tee Jaye's #10, Columbus, OH
 Tee Jaye's #3 LLC, Columbus, OH
 TPC Wire and Cable Corp., Macedonia, OH
 Tri-State Processing Inc., Cincinnati, OH
 Truck One Inc., Newark, OH
 Ulmer & Berne LLP, Cleveland, OH
 Valley Personnel/Valley Transportation Inc., Ashland, OH
 Williams Co., Tulsa, OK
 Wright Tire & Auto LLC, Bowling Green, OH



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TIME FLIES WHEN YOU'RE HAVING FUN



As 2016 comes to an end, we wrap up (no holiday pun intended) another year and another General Assembly session. We have also begun planning for 2017.

This year, on the legislative front, we led the charge to fix our broke and broken unemployment compensation system, ensured there would be employer protections in medical marijuana legislation and advocated for the expansion of small claims court caps. Our members testified against costly health care mandates and for making rules compliance easier for small businesses. We championed bills that would bring uniformity, fairness and efficiency to Ohio's employment discrimination laws, and tax reforms that would remove tax uncertainty or repeal burdensome taxes.

Politically, 2016 started off with the March primary, in which the Ohio Chamber of Commerce Political Action Committee (OCCPAC) endorsed seven candidates in the House and six in the Senate. Ohio was at the center of the political universe as our governor ran for the nation's highest office, and Ohio's U.S. Senate race attracted national attention.

This fall, OCCPAC endorsed 60 candidates running for the Ohio House and 14 for the Ohio Senate. Of those 74, seven were selected as Chamber Choice candidates, as they were in very competitive races. All of these candidates won their respective races. We also endorsed three candidates for the Ohio Supreme Court. Our endorsements — whether for the General Assembly or Supreme Court — help to ensure that actions that impact Ohio's business climate will benefit the free enterprise system.

In July, our Executive Committee members met for a brainstorming session to discuss areas in which we can expand our advocacy and membership efforts. Out of that meeting, we formed an Opiate Task Force to look at what role the Ohio Chamber should have in dealing with the state's opiate epidemic. From member input, we are learning that this has become a huge workforce problem. The task force is speaking to experts in the field, and we are looking at ways in which the Ohio Chamber can play a role in providing education or assistance.

As we move to 2017, we have begun preparations for our top advocacy

issues. We will have new members of the House and Senate to meet and new priorities to ensure a strong business climate.

We will also be rolling out a new membership portal, where members will be able to receive committee information, interact with other members, pay their membership investment and register for events. Speaking of events, our Annual Meeting is set for May 2 at the Jo Ann Davidson Theatre in the Riffe Center, with our Legislative Reception immediately following at the Sheraton Hotel. Our highly anticipated Policy Conference at Salt Fork is Sept. 6 to Sept. 8. More information will be mailed and emailed after the first of the year.

The New Year also brings our 124th year of servicing Ohio's businesses. I'd like to take this opportunity to thank all of our members for their support and the support of our mission. Remember, We're ALL for Ohio. 🇺🇸

Andrew E. Deebul

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