

**Minutes of the regular meeting of the Advisory Council on Small Business and Agriculture**  
12:00 p.m. – 1:30 p.m., Wednesday, November 7, 2012  
Federal Reserve Bank of New York  
33 Liberty St., New York, NY

**Present:**

William C. Dudley, President, Federal Reserve Bank of New York  
Christine Cumming, First Vice President, Federal Reserve Bank of New York  
Stewart Brunhouse, President, A&A Company LLC  
William Byrne, Chairman, Byrne Dairy Inc. (by phone)  
Gale Epstein, President and Creative Director, Hanky Panky, Ltd. (by phone)  
Kenneth Franasiak, Chairman and CEO, Calamar (by phone)  
Lisa Hirsh, President and CEO, Accurate Box Company, Inc. (by phone)  
Peter Maglathlin, CEO, MBI, Inc. (by phone)  
Michael Muzyk, CFO, Baldor Specialty Foods, Inc. (by phone)  
Ted Tregurtha, President, Moran Towing Corp. (by phone)

Federal Reserve Bank of New York staff:

James Bergin  
Nora Fitzpatrick  
Krishna Guha  
Kausar Hamdani  
Tom Klitgaard  
David Parkinson  
Richard Peach  
Rae Rosen

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Mr. Dudley called the meeting to order at approximately 12:00 p.m. Because of Hurricane Sandy, the meeting was held via teleconference.

**1. Economic Outlook**

**a. The National Economy**

Mr. Dudley discussed domestic economic trends in the third quarter.

**b. Eurozone Developments**

Mr. Dudley discussed developments in the Eurozone.

**c. The Election**

Mr. Dudley expressed his belief that the market has experienced no upheavals in response to the election.

**2. Luncheon Discussion**

Members were asked to comment on their direct experience and the experience of the

colleagues they had spoken with in regards to the effects of Hurricane Sandy. Specifically, members were asked about their inventory, staff, transportation, access to power and fuel, and loss of sales.

Members described a range of experiences with regards to each of the topics presented.

Some members reported having supply chain disruptions in the days following the storm stemming from gas shortages, the closure of New York Harbor, difficulty traveling due to traffic and road closures, and problems with postal delivery. Several members whose firms did not lose power still reported varying degrees of lost business due to such disruptions.

Several members reported that the total losses caused by Hurricane Sandy are not yet known but include losses in infrastructure, inventory, and sales. Members offered varying assessments of the effect the storm will have on fourth quarter profitability. Some members expect to see an uptick as a result of the storm while several others reported that their firms had experienced a modest slowdown prior to Hurricane Sandy.

Members reported that their firms were taking steps to aid their employees, some of whom suffered more serious losses as a result of the storm than others. Several members reported that gas shortages presented their employees with serious challenges.

The general consensus was that the gas shortages being experienced are the result of local distribution issues rather than the ultimate supply.

Members generally agreed that having two strong storms in two years has prompted their firms to reevaluate their disaster planning. Members reported that their firms are taking steps to ensure business continuity in future disaster situations. Several members also mentioned the need for redundancies in communications infrastructure.

The meeting adjourned at approximately 1:30 p.m.