

**Minutes of the regular meeting of the
UPSTATE NEW YORK REGIONAL ADVISORY BOARD**

The Offices of Alphonso O’Neil-White

HealthNow New York

257 W. Genesee Street

Buffalo, New York 14202

Friday, April 13, 2012

Present:

Thomas D’Ambra, Chairman & CEO, Albany Molecular

Bal Dixit, Chairman, Newtexas Industries

James Laurito, President, Central Hudson Gas & Electric Company

Martin Mucci, President & CEO, PayChex

Robert Sands, President & CEO, Constellation Brands, Inc.

Julie Shimer, President & CEO, Welch Allyn, Inc.

Robert L. Stevenson, President, Eastman Machine Company

Carlos Unanue, President, Goya de Puerto Rico, Inc.

Federal Reserve Bank of New York attendees:

Jaison Abel

James Bergin

John Clark

Tony Davis

Richard Deitz

William Dudley

Jonathan McCarthy

Michael Nelson

Rae Rosen

Members participated in discussions with FRBNY staff concerning European, BRIC, and developing markets. There was consensus that the potential damage to the U.S. economy as a result of European financial woes would be indirect instead of direct. It was observed that the growth trend in China was still high and that China would continue to outperform India when it comes to exports. Members also commented that Mexico faces competition from China as well. China, however, remains an inefficient place to do business. One member reported that the United States still leads China when it comes to innovation and high-end science.

Some members reported that 2012 growth prospects for their companies remained good, but that there was nervousness about 2013. Unemployment in the Buffalo region is still high, and employers have problems finding the right skills in potential employees (for example, for skilled manufacturing work). In contrast, some members reported that company executives are less scared about losing their jobs and are more willing to ask for more in compensation and benefits. Consumer sentiment was seen to be fairly strong – consumers still want to trade up – but because of the recent recession, consumers are still careful to look for good deals.

One member thought that the availability of credit for businesses was “astounding.” There is more and more money available for creditworthy companies, including a huge amount

of private equity capital. Private equity firms have reportedly raised money but have been unable to deploy it in investments.

New York State is still seen as inhospitable for business and has not improved in that regard. There is no feeling of opportunity for younger people, and other states (for example, South Carolina and North Carolina) are much more competitive. On the Federal level, some members reported the perception that big U.S. headquartered companies doing business abroad can benefit from tax carve-outs easier than small companies doing the same.