

**Minutes of the regular meeting of the
SMALL BUSINESS AND AGRICULTURAL ADVISORY COUNCIL**

10:30 a.m. – 2:00 p.m., Tuesday, April 15, 2014

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Michael Arnoff, President, Arnoff Moving & Storage
Alejandro Ballester, President, Ballester Hermanos, Inc.
Stewart Brunhouse, President, A&A Company, Inc.
William Byrne, Chairman of the Board, Byrne Dairy, Inc
Eric Caslow, President, Acme Smoked Fish
David Campbell, President and CEO, Rings End, Inc.
Margaret Krumholz, President, Disc Graphics Inc
Deborah Leo, President, Retail Solutions, Inc.
Peter Maglathlin, CEO, MBI, Inc
Patrick Marotta, President and CEO, Marotta Controls

Federal Reserve Bank of New York attendees:

James Bergin
John Clark
Christine Cummings
William Dudley
Jack Gutt
Kausar Hamdani
Claire Kramer
James Andrew Orr
David Parkinson
Richard Peach
Rae Rosen
Joseph Tracy

Ms. Cummings called the meeting to order at approximately 10:30 a.m.

Before proceeding with the agenda, the committee's four new members, Mr. Arnoff, Mr. Caslow, Ms. Leo, and Mr. Marotta, were introduced.

1. The National Economy

Mr. Tracy gave a macroeconomic overview of the current state of the U.S. economy.

2. Regional Update

Mr. Orr discussed economic trends in the Second Federal Reserve District.

3. International Update

Mr. Clark spoke about international developments in advanced and emerging economies.

4. Luncheon Discussion

Mr. Dudley joined the group for the luncheon discussion. Members were asked to comment on changes in demand, projected hiring and investment in plant and equipment for 2014, access to credit, and impacts due to severe winter weather or changes in tax policy, legislation, or regulations.

Most members reported growth in the beginning of 2014, with sales generally at or above pre-recession levels. Firms that experienced a slowdown due to severe winter weather noted that business has begun to pick up again.

A number of members reported plans to increase employment both locally and in other regions. Other members, however, reported a rise in the use of temps and independent consultants or an increase in existing employee hours rather than in headcount. As before, members generally noted the difficulty of finding skilled employees. Several members reported that their firms have developed internal training programs for skilled positions, in some instances through partnerships with local community colleges.

Several members reported making new investments in plant and equipment, in some cases to make up for deferred maintenance during the financial crisis. Energy efficiency was an area of investment for some firms.

In general, members reported favorable access to credit, though some firms continue to rely on self-financing.

Members reported various reactions to the Affordable Care Act (“ACA”), with some firms opting to hire contingent workers instead of more full-time employees. Several firms reported initial concerns over the federal budget sequester, though conditions have generally improved.

The meeting adjourned at approximately 2:00 p.m.