

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

10:30 a.m. – 2:00 p.m., Thursday, November 20, 2014

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Michael Arnoff, President, Arnoff Moving & Storage
Stewart Brunhouse, President, A&A Company, Inc.
William Byrne, Chairman of the Board, Byrne Dairy, Inc.
David Campbell, President and CEO, Ring's End, Inc.
Eric Caslow, President, Acme Smoked Fish
Peter Maglathlin, CEO, MBI, Inc.
Patrick Marotta, President and CEO, Marotta Controls
Edward Tregurtha, President, Moran Towing Corporation

Federal Reserve Bank of New York attendees:

Jason Bram
John Clark
Christine Cumming
William Dudley
Jack Gutt
Kausar Hamdani
Claire Kramer
Anand Marri
David Parkinson
Richard Peach
Rae Rosen
Luis Uranga

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

1. The National Economy

Mr. Peach gave a high-level overview of the current state of the U.S. economy.

2. Regional Update

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

3. International Update

Mr. Clark spoke about international economic developments in the euro area, Japan, and the emerging market economies.

4. Luncheon Discussion

Mr. Dudley joined the group for the luncheon discussion. Members were asked to comment on changes in sales volume, the availability of labor, and access to credit during the second half of the year. Members were also asked to share expectations for investment in plant and equipment, hiring, sales, and pricing in the coming year.

A majority of members experienced business growth during the second half of 2014, though reported sales growth ranged from the low single digits to the low double digits. Looking to 2015, most members seemed optimistic about continued growth.

Reports on the ease of hiring varied based on region, business line, and skill level, with highly skilled positions generally being the most challenging to fill. One member noted that difficulty in hiring had contributed to lost business opportunities. Although most firms reported average levels of turnover, at least one member noted increased retirement activity.

While a number of members reported modest salary increases year-over-year, in general, members did not report experiencing much wage pressure. Several members did note that increasing health insurance costs have forced them to reevaluate both their insurance providers and the type of coverage they offer.

Although some member firms have recently concluded major investment projects, several firms reported expansion and investment plans for the coming year. On the whole, members noted that access to credit remains generally easy. Additionally, most members expect prices to remain relatively stable in the coming months, with some modest increases to be passed on to customers.

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