

Minutes of the regular meeting of the Advisory Council on Small Business and Agriculture

10:30 a.m. – 2:00 p.m., Monday, May 20, 2013

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Stewart Brunhouse, President, A&A Company LLC
Alejandro Ballester, President, Ballester Hermanos., Inc.
William Byrne, Chairman, Byrne Dairy Inc.
David Campbell, President and CEO, Ring's End, Inc. (by phone)
Kenneth Franasiak, Chairman and CEO, Calamar
Margaret Krumholz, President, Disc Graphics, Inc.
Ted Tregurtha, President, Moran Towing Corporation

Federal Reserve Bank of New York staff:

James Bergin
John Clark
Christine Cumming
William Dudley (by phone)
Krishna Guha
Kausar Hamdani
David Parkinson
Richard Peach
Rae Rosen

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

1. Economic Outlook

a. The National Economy

Mr. Peach discussed domestic economic trends in the first quarter of 2013.

b. The International Outlook

Mr. Clark discussed recent economic developments in Europe, Japan, and emerging markets.

2. Discussion

Mr. Dudley joined the group via phone for the luncheon discussion. Members were asked to comment on changes in demand, projected hiring and investment in plant and equipment for 2013, access to credit, and impacts due to healthcare legislation, sequestration, or payroll taxes.

Members described a range of experiences with regard to each of the topics presented. On the subject of changes in demand, some members reported slight increases while others found

demand to be stable or even down in the first quarter.

Most members reported being able to access the credit needed for their business and members were generally happy with the current credit situation. At least one member noted, however, that credit may be harder to obtain for smaller institutions.

Several members reported making significant capital investments in plant and equipment for 2013, though the majority of members did not have such plans for the upcoming year.

Although not all members had plans to hire over the coming year, those that hoped to do so noted the difficulty in finding skilled workers. Other members reported reductions in their employee pool, either through attrition or downsizing.

Turning to the impacts of congressional action, in general, only members with government contracts reported feeling the effects of sequestration. Most members, however, expressed concern over the Patient Protection and Affordable Care Act. Some members reported that they may be forced to reduce benefits under the law, resulting in greater out-of-pocket expenses for their employees.

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