

**Minutes of the regular meeting of the
Upstate New York Regional Advisory Board**

10:30 a.m. – 2:00 p.m.

Tuesday, April 11, 2017

Federal Reserve Bank of New York

33 Liberty Street, New York, NY

Present:

Lynne Marie Finn, President & CEO, Superior Workforce Solutions, Inc.
Kenneth M. Franasiak, Chairman, Calamar
James P. Laurito, President, Central Hudson Electric & Gas
Linda MacFarlane, President & CEO, Community Loan Fund of the Capital Region
Melanie Littlejohn, VP & Regional Director NY, National Grid
Martin Mucci, President & CEO, Paychex, Inc.
Robert L. Stevenson, President, Eastman Machine Company
Carlos Unanue, President, Goya de Puerto Rico, Inc.

Federal Reserve Bank of New York attendees:

William Dudley, President
Jack Gutt, Executive Vice President, Communications & Outreach
Richard Peach, Senior Vice President, Research & Statistics
Matthew Higgins, VP, International Research, Research & Statistics
Anand Marri, Vice President, Outreach & Education
Sarah Bell, Vice President, Chief of Staff's Office
Jason Bram, Officer, Research & Statistics
Jaison Abel, Officer, Research & Statistics
Tony Davis, Director, Community Engagement
Chelsea Cruz, Associate, Community Engagement
Angela Sun, Associate, Legal

Mr. Gutt 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. International Update

Mr. Higgins spoke about recent international economic developments.

3. Regional Update

Mr. Abel discussed recent economic trends in the Second Federal Reserve District.

4. Luncheon Discussion

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Mr. Dudley joined the group for the luncheon discussion. Members were asked to describe their businesses' outlook for 2017 and comment on changes in business activity, workforce, and ability to access capital.

Members reported favorable business activity for the first quarter for 2017. The majority of members reported significant to modest growth in revenues with expectations that growth would continue over the course of this year. One member reported that the Affordable Care Act has resulted in increasing demand from small- and medium-size businesses for human resources support. Multiple members reported plans to make capital investments to update old equipment and systems. One member noted that automation has spurred capital investments in machinery and equipment that are now either antiquated or out-of-date due to technological advancements. That same member reported seeing expansions in the advanced manufacturing sector and predicted that there would be a resourcing of U.S.-made goods in this sector, particularly those goods related to proprietary operating systems and software.

The majority of members reported that they were able to access capital on favorable terms. However, one member reported difficulties due to financial institutions changing their business strategy. Many local banks are choosing to limit or stop loan activity in specific areas such as multifamily housing and hotels.

Almost all members reported some level of dissatisfaction with the current labor market, reporting skills gaps and difficulty finding talent. Members agreed that they were seeing a tightening of the labor market and in some industries like technology and manufacturing the market is extremely tight due to pre-existing talent gaps. Businesses across different industries are becoming increasingly aware of the need to provide training. One member reported that partnerships with local universities have helped create talent pipelines and ensure a steady stream of talent but stated that developing those relationships required a lot of time and energy. Multiple members also reported increasing demand for part-time and contract workers, a trend which they speculated was being driven in part by employers but also by the changing work preferences of millennials.

The meeting adjourned at approximately 2:00pm.