

North Central Illinois Logistics Council
Meeting Minutes
February 18, 2010
Sponsored by: City of Spring Valley

MEMBERS PRESENT: Ron Anderson, Abhijeet Bhattacharya, Diana Buiting, DeAnna Carlson, Jim Conness, Christine Dahm, Tim Fonderoli, Pam Furlan, Ray Gatza, Mary Hancock, Bruce Hartman, Tom Iossi, Cindy Kulas, Debb Ladgenski, Joel Lent, John Lewis, Bev Malooley, Pete Nelson, Elaine Novak, Boyd Palmer, Mike Phalen, Mike Reindl, Tim Robey, Rachel Solley, Tom Spelich

The North Central Illinois Logistics Council members and guests were welcomed to the meeting at IVCC by Ray Gatza.

Announcements and Reminders -

Ray passed a sheet around for members to sign up for meeting sponsorship. The cost per meeting is usually around \$35 to \$50.

Thank You to IVCC again for use of the facility.

Be sure to fill out the evaluation form before you leave. Your feedback is very important. Please feel free to add any comments or if you would like to be a speaker, or have an idea for a speaker.

Presentation:

Abhijeet Bhattacharya – Professor of Economics –Illinois Valley Community College
“A Look at the 2010 Economy”

Professor Bhattacharya started with a power point presentation titled “Trends in the U.S. Economy”. Last May when he presented to the Council, he made a prediction and came very close to the actual result. He predicted 3.1% rate of growth in the third quarter of 2009. The actual rate was 2.2%. In the fourth quarter, the growth rate was 5.7%. This growth was caused in large part by capital expenditures for equipment and software by large companies. He commented that “Things have been improving”, “The worst is over but not quite yet normal”.

Small business is the backbone of the U.S. economy, but capital spending by small businesses remains depressed mainly due to the banks. The Federal Reserve reported on February 1 that banks are continuing to tighten standards for loans to small businesses, while standards for large companies remain unchanged.

Points of Interest

- The US economy expanded 2.2% in the third quarter of 2009, after four quarters of contraction. It grew by 5.7% in the fourth quarter of 2009: the fastest pace in 6 years.
- Real GDP (gross domestic product) is expected to grow to 3 percent in 2010.
- US auto sales in the United States climbed to 11.2 million an increase from 9.1 million at low point earlier last year. Ford Motor Company has made a profit – a positive sign.
- Retail has gone up marginally - .5%.
- Labor productivity is booming- rising at a 6.9 percent annualized rate in the second quarter and an 8.1 percent rate in third quarter. This is good news but it is misleading. People are trying to keep their jobs and are sometimes doing the work of two or three.
- The US gained 4000 jobs in November (Department of Labor data): first such increase in nearly two years.

- Manufacturing grew in December for the fifth straight month but this does not provide many American jobs.
- Housing Prices continue to inch up. House prices are back to around their fall 2003 levels. U.S. home buyers are a bit more confident that the housing market is gradually recovering.
- Americans are saving 4 to 7% of their incomes. Last year it was at a negative. In the long run, this is good for the U.S. economy.
- Temporary employment has gone up by 47,000 this December – mainly by small business.
- Inflation rates are really low – 2.7%. Last year we had deflation. Good for the buyer but bad for the producer.

What's Ahead

- The Federal Reserve has stated that the nation's unemployment rate is likely to remain high in 2010 and possibly for the next few years
- The unemployment rate is 9.7 percent and the number of jobless has hit 15.3 million, up from 7.7 million when the recession started in the end of 2007. *Professor Bhattacharya added that the unemployment rate will be high for the next two years.*
- Majority of the economists feel that the economy will not get back to normal (a 5 percent unemployment rate) until 2015
- There is relatively weak consumer demand and banks are continuing to be cautious about lending. The federal government must continue its stimulus measures in order to stimulate job growth and get the economy moving again.
- Of the \$787 Billion authorized, only about 30% (238 billion) of the funds have been paid out to date. The remaining money along with the future distribution of funds will be injected into the economy over the next several months. *A question was asked as to whether the stimulus has been a plus or a minus. Can we expect the other 70% to have an effect? The professor answered if it was spent in the right places.*
- New regulations on credit cards are set to take effect this year. Citigroup and American Express have raised interest rates for borrowers.
- There are three things needed to drive the U.S. economy: job creation, wage stabilization and small business must spend.

How do we solve this problem?

A new American jobs tax credit: \$3,000 refundable tax credit for each additional full time employee hired.
Giving \$30 billion from recovered TARP money to community banks for small business.

Double exports in the next five years. This could create 800,000 jobs.

Eliminate all capital gains taxes on start up (small impact – only 100,000 to 200,000 jobs).

Revitalize community colleges – people need retraining for better jobs.

Tax cut for 95 percent of workers plus seniors. Small amounts but will have some impact.

Ensure that trading partners play by the rules, especially China.

American Reinvestment and Recovery Act which is 25 to 30 billion for roads and bridges and repairing our schools.

Warehousing and Distribution Certificate Program

Elaine Novak reported that 4 students have gone through the coursework but there are no new students coming in. She reminded the group that this program has different start up dates throughout the year.

Elaine also announced the start up of an Advisory Committee for the Warehouse program on April 15 and if anyone would care to serve, please contact her.

Pilot Program Update

Thank you to Clover Technologies for offering to job shadow Leland High School students. Ray commented that through the Council the Dean was able to make that contact.

Ray will be at Mendota High School on March 3. Any contact at any high school, please contact Ray or Pam.

Ottawa High School Project

There is still no business partner for the program. A business in the Ottawa area is needed to offer employment to the 10 participating students in this program. The economy has really slowed things down.

Web Site Sponsorship

A new sponsor is needed for the NCILC website. The cost of the web site sponsorship is \$330. Please contact Christine or Pam if you would like to be the sponsor for 2010.

Open Discussion:

The Council needs team members on the steering committee – need another five or so. The committee meets once a month. Please contact Christine or JoAnn to sign up. Meetings are held at the BEST office ten days or so before the NCILC meeting.

A suggestion was made to invite Professor Bhattacharya back in August to present to the group.

Please visit the website: There is a lot of good information and the video is on the website. There has been an issue of posting the minutes but that has been fixed.

The next meeting is March 19, 2010. Tim Fonderoli from Storage Solutions will be speaking about New and Used Warehousing Equipment. Also, John Lewis, the Veterans Employment Representative from the Illinois Department of Employment Security will be talking about tax credits, the definition of a Veteran, the availability of the Illinois Veterans Grant etc.

Meeting adjourned at 9:15 a.m.

Evaluation
North Central Illinois Logistics Council
February 18, 2010

	Rating Scale				
	<u>Excellent</u>	<u>Above Average</u>	<u>Average</u>	<u>Below Average</u>	<u>Poor</u>
<u>Overall Content</u>					
Degree to which your objectives and/or Expectations were met	5 5	4 5	3	2	1
Degree of usefulness in your job	5 4	4 3	3 3	2	1

Presentation

Abhijeet Bhattacharya, Professor of Economics Illinois Valley Community College <i>"A Look at the 2010 Economy"</i>	5 7	4 2	3 1	2	1
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Meeting Facilities

5 2	4 3	3 1	2 1	1
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What did you like best about the program? **>Constant contact with others in the business community >Short talk >Size >Good information on market >Great information, really relevant for all of us >Keep him on an on-going basis for update >Everything!**

Do you have any suggestions for future speakers? If so, please provide names and contact information, if available. **>Yes-vendors whom the group has used with effective results >None at this time >Petsmart – gave info to Ray & Pam >Follow-up with him again as a speaker in 6 months >**

Do you have any suggestions for future topics? If so, please list the topics that you are most interested in. **>Ground floor money savings generating topics >Round tables worked well in past / not sure of topics but gets involvement**

Are there any changes or improvements you would suggest for our meetings? Yes No

If so, what? **>Grow networking >Need tables to sit at >Table/writing surface/coffee & donut resting area >**

Would you be willing to share best practices at your company? Yes No

If so, your name, company & phone: **Tom Iossi, J.C. Whitney**
