

From the DIRECTOR'S DESK

by *Jamie Stewart*
Executive Director



Once again we have entered the legislative season in Montpelier. While there has been a significant change of personnel in the Administration, many of the same vexing problems are occupying the time of elected and appointed officials. Act 60 reform and the problem of adequately funding education are surfacing as focus issues for this session. Calls are being made for greater accountability and cost containment given the limited resources available today. Permit reform balanced with a concern for citizen input in the process, while attempting to create greater efficiencies and predictability in the process, will again be debated in both houses of the legislature. This year these perennial problems are additionally complicated with the specter of reduced revenue and escalating costs in State government, forcing lawmakers to seek a very difficult balance. The Governor's office made it clear during the election that economic development and jobs would be a priority of his administration. He and his staff have continued to carry this banner, and it remains their mantra as key issues are discussed "under the dome". The Governor's "Jobs" Bill is winding its way through the House and Senate en route to a conference committee.

Significant work has been completed for the Comprehensive Economic Development Strategy (CEDS) for the region. An in-depth analysis of the County's natural resource based

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Middlebury Manufacturer Improves Facility with Energy Efficiency Upgrades

Efficiency Vermont helps identify and pay for improvements

by *Paul Lambert*

Middlebury's Geiger of Austria has strengthened its bottom line by working with Efficiency Vermont, the statewide energy efficiency utility. Geiger made lighting system improvements last summer that are now lowering energy bills by over \$1,000 per month. The Middlebury manufacturer of fine clothing received more than \$19,000 in financial incentives from Efficiency Vermont toward a \$49,000 energy-efficient lighting system upgrade.

"We're very proud of this project," says David Shaw, who oversees facilities at Geiger. "Efficiency Vermont came in, looked at the whole facility, showed us where our old lamps, ballasts and fixtures were inefficient, explained that we'd get the most savings and better light levels from doing a combination of retrofit and replacement, and shared names of vendors who could help us out. A beautiful part of the process was that we were able to use Adams Electric, our electrical contractor who we've worked with for 20 years."

The resulting project lowered Geiger's monthly electricity use by approximately 9,000 kilowatt hours while increasing light levels. Key to this achievement was a combination of energy-efficient lights and lighting design targeting Geiger's particular needs. The project reduced the number of lamps by a third and replaced inefficient up-lit fixtures with combined up- and down-lit fixtures, to provide light where production workers need it most.

"It's a drastic difference," says Shaw. "You could speak to any production employee, and they'll tell you the light in the production area makes one heck of a difference."

The project also included occupancy sensors that automatically turn on lights when an area is occupied and off when an area isn't in use. This technology, according to Shaw, eliminated an ongoing expense for the company, because empty rooms are no longer being lit.

"Production facilities in Vermont have high electricity needs, so energy efficiency can help tremendously," says Efficiency Vermont Project Manager Darrell Marley. "Geiger was a prime candidate for a lighting upgrade. They had 20-year-old fixtures, old magnetic ballasts, under-lit work areas and over-lit low-use areas. They made the time commitment and the financial commitment, and they're going to have significantly lower energy costs for years. And you can feel the difference when you walk through the place."

Like Geiger, businesses through the state are taking advantage of Efficiency Vermont's technical advice and financial help to identify the causes of high electric bills, to learn of new technologies that will reduce costs, help design optimally efficient facilities, and receive money to help pay for a wide range of energy efficiency upgrades. It's all part of Efficiency Vermont's mission to help Vermonters reduce energy costs, strengthen the state's economy, and protect our environment.

"The whole project was handled efficiently and quite without pain for us," says Shaw. "It's a success."

To learn how Efficiency Vermont can work with your supplier, contractor or engineer to help reduce operating costs in your facility, visit www.encyvermont.com. Or call, toll-free, 1-888-921-5990.

Paul Lambert is Business Development Manager of Efficiency Vermont

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industries was completed by a Middlebury College intern, and work continues on an analysis of emerging sectors opportunities in the region. Focused responses to nine priority areas identified through the "visioning" sessions are near completion. It is anticipated that the work will be in draft form and available for public input by early/mid summer. My thanks to the College and Economics Department for their continued support of this effort, in what has become a collaborative process that benefits the region, while providing quality learning opportunities for their students.

Finally, I would like to remind everyone that ACEDC's revolving loan funds are seeking companies with growth opportunities needing financial assistance. Whether it is through our micro-lending program at \$5-20 thousand, or our manufacturing loan program which can lend up to \$75 thousand, contact our office to find out if these programs are right for you.

WELCOME!

ACEDC would like to welcome and introduce our new members:

Denecker Chevrolet-Geo, Inc.
Lang Associates
VELCO
Middlebury Print
Community Financial Services Group
VT Natural Ag Products
Specialty Filaments, Inc.

Our membership campaign for 2003 is in full swing. Make your contribution to ACEDC today and help create a prosperous and diversified regional economy. Call 802-388-7953 or e-mail: info@addisoncountyedc.org

A Word About Value

By Brian J. Monbouquette, Partner, Gallagher, Flynn & Company, LLP

It bears repeating that in our experience 80 percent of closely-held business owners fail to realize a substantial portion of their business' value when they sell. There are a lot of reasons why, some of which were discussed in the previous edition of this newsletter. Business owners often have inaccurate views of their company's value, frequently because of inappropriate ideas about valuation. Over the years, business owners may have had their business valued for any number of reasons—to establish a methodology for a buy/sell agreement, as part of divorce proceedings or for a variety of other reasons. In these cases, the valuation is usually based on some formulaic extrapolation of the past—and such methods are often appropriate in these cases.

But determining value in a transaction is different—instead of extrapolating the past, a valuation methodology in this case should be predicting the future. Owners who rely on some formula, be it a multiple of earnings or of book value, that is driven by past results, are likely to arrive at a value that is largely meaningless in the sale process.

With the right advice, business owners can realize more—often millions more—through an effectively managed sales process and a business valuation performed by a certified valuation analyst.

Brian J. Monbouquette directs the tax practice of Gallagher, Flynn & Company, LLP in Burlington, Vermont, Vermont's largest CPA and business consulting firm, and he advises clients on tax planning, mergers and acquisitions, strategic alliances, and raising capital. He can be reached at 802-863-1331 or bmonbouquette@gfc.com.

The Vermont High Skills Training Project

Under the provisions of a grant received by the Vermont High Skills Training Project, and in conjunction with the Vermont Information Technology Center and Champlain College, your employees can earn Professional Certificates at 70% savings in the following IT related programs:

-  Computer Networking
-  Global Networks & Telecommunications
-  Multimedia & Graphic Designs
-  Software Development
-  Web Site Development & Management

For more information please contact:

Jane Faust
802-865-6402
faust@champlain.edu
or
Dave Binch
802-865-6439
binch@champlain.edu

Your Chance To Win Free Training

The Small Business Development Center (SBDC) is currently undertaking a business needs survey throughout the state. They seek your assistance in their effort to best serve Vermont businesses. Your answers will help to identify the services and resources small businesses need from the SBDC to help them grow and thrive. You may find the survey online at <http://www.vtsbdc.org/> or the SBDC will be happy to arrange for you to get a paper copy. All data will be reported collectively; no single response will be traced to any individual or specific business entity.

As a way of saying thanks, all participants who care to provide their name and contact information will be entered into a drawing to win a gift certificate for FastTrac Planning. Planning is an eleven-week seminar designed to help you grow your business. It has received rave reviews and is a \$495 value.



Help In Preparing For National Guard And Reserve Call-Ups

The current international climate requires that more National Guard and Reserve units be called to active duty-with more expected in the near future. Many of these reservists are small business owners or essential employees at small businesses. Many of these businesspersons are worried about how to keep their businesses going and continue to serve their clients when a key player is suddenly absent.

The Small Business Administration (SBA) has created a new web site to help small businesses plan for this contingency: www.sba.gov/reservists.

Some of the resources provided by the web site include information on obtaining a reduction in interest rates or deferral of

repayment on SBA direct or guaranteed loans. There is also information on how small businesses affected by the call-up can apply for Military Reservist Economic Injury Disaster Loans. Most important, the new web site tells small businesses where they can find the nearest Veterans Business Development Officers so they can receive individual advice on overcoming any potential problems.

"A call to duty for a key employee can be disruptive for a small business that is not prepared," says SBA Administrator Hector Barreto. "It is essential that we at the SBA provide small business owners and employees involved in defending our country with the information they need to

prepare for time away from the workplace."

Reprinted from the US Dept. of Transportation, March 2003 Newsletter

2003 Wage & Benefits Information Now Available

Earlier this year ACEDC conducted a regional survey to assess current wage and benefit levels in Addison County. Nineteen companies participated, many representing the Manufacturing and Wholesale Distribution industry sector. Survey results are now available online at addisoncountryedc.org.

Employers' Newest Pet Benefit



by Kate O'Sullivan

At a time when companies are cutting health insurance benefits, it may seem strange that the number of businesses offering coverage for their staff members' pets is going to double next year. But that's the finding of a 2002 survey of companies and employees commissioned by insurer MetLife. The trend appears to be growing – largely because it's a winner with employees.

Veterinary Pet Insurance, based in Brea, Calif., is the nation's largest provider of pet coverage. Founder and CEO Dr. Jack Stephens, a veterinarian, says he's seen business increase by 40% from 2001 to 2002. The company offers pet insurance as a voluntary benefit to more than 400 companies. Workers pay for it themselves – generally \$12 to \$16 each month, but they receive a significant group discount by buying the insurance through their employers.

While pet protection is more common at very large companies, small businesses sometimes offer more generous benefits. For example, Don Mayer, CEO of Small Dog Electronics in Waitsfield, VT, has provided insurance coverage for up to two dogs for each of his 23 employees since 2000. The company pays 80% of vet bills, maxing out at \$2,000 a year. The cost to the company generally runs between \$2,000 and \$5,000 annually. "It's the kind of benefit that goes a long way toward employee satisfaction and loyalty," says Mayer, who also happens to be a dog-lover, as is evident in his company's moniker.

Reprinted from Inc. Magazine, March 2003

HAVE YOU CONSIDERED ACEDC MEMBERSHIP?

BY SUPPORTING ACEDC YOU SUPPORT THE ECONOMIC CLIMATE OF ADDISON COUNTY. ECONOMIC PROSPERITY IN THIS REGION WILL PAY DIVIDENDS TO YOUR COMPANY TODAY AND INTO THE FUTURE.

- | | |
|---------------------------------------|------------|
| <input type="checkbox"/> Sustaining | \$1,000.00 |
| <input type="checkbox"/> Supporting | \$ 500.00 |
| <input type="checkbox"/> Contributing | \$ 250.00 |
| <input type="checkbox"/> Associate | \$ 100.00 |

Business Name: _____

Contact Name: _____

Address: _____

Zip: _____

Phone: _____

Fax: _____

E-Mail: _____

Web: _____

Please return to:

Addison County Economic Development Corp.
1590 Route 7 South, Suite #2
Middlebury, VT 05753

**VERMONT GOVERNOR'S QUALITY INITIATIVES
VERMONT'S ISO-9000:2000 Training**

Deadline for the new ISO-9000:2000 Standards is December 2003

ARE YOU READY???

Last ISO-9000:2000 training class for the year 2003

Internal Auditing

A two-day registered course taught by registered lead assessors. The State Economic Development Department is offering this course to our Vermont manufacturers for only \$425 per person*, limited to 20 students per course on a first-come, first-serve basis. This is an \$850 course per person offered on the open market. Additionally, this course provides training for the new ISO-9000:2000 Standards to update companies already registered for the ISO-9000 Standards. Re-certification is required by December 2003.

**Price includes all materials, continental breakfasts, lunches and snacks.*

Dates & Sites

May 19 - 20, 2003 Hampton Inn, Colchester, VT

For further information, please contact:

**Phil Fagan
Department of Economic Development
National Life Bldg., Drawer 20
Montpelier, VT 05620-0501
Telephone: 802-828-5235 • E-mail: Phil@thinkvermont.com**

Note: Curriculum outlines can be mailed, faxed and e-mailed. Verbal commitments for sign-up accepted. Recommend two employees per company attend each course chosen.

**Addison County Economic Development Corporation
1590 Rt. 7 South, Suite 2, Middlebury, VT 05753**