



BUILDING BUSINESS FOR A GREATER NEWARK

Eye Openers Live Up to the Name

NRBP has a series of programs called the Eye Opener, which is sponsored by Saint Barnabas Health Care System and hosted at NRBP by Dr. John Brennan, executive director of Newark Beth Israel Medical Center. The program was so-named for both its early morning start as well as its informative speakers – people who are deeply involved in issues of consequence to NRBP members.

Most recently, we heard from Ralph LaRossa, chief operating officer of PSE&G, who described how PSE&G has quadrupled its capital program for 2010 by investing \$1.8 billion in electric and gas infrastructure. He also talked about the company's green initiatives and the challenge of recruiting new employees who are willing and capable of maintaining and repairing equipment in adverse conditions. We take for granted that when we flip a switch, there will be light and we learned that the simple act requires commitment of 10,000 people and billions of dollars.

NRBP members also heard from Mark Alexander, a Seton Hall Law School professor who played a key role in policy development for the Obama campaign. He related insightful stories about how the campaign developed policy positions and helped to motivate supporters. It's an understatement to say that it was an historic campaign in both process and results.

Another eye opening experience was provided by Dr. Clifford Janey, State Superintendent of the Newark Public Schools, who has taken great strides in his first year. Dr. Janey made clear that he will not stand for the status quo and is implementing an ambitious and aggressive agenda to make measurable improvement in the effectiveness of the City's public education system. The fact that he has been able to engage the teachers union is a pleasant surprise to many observers.

We are fortunate that through these events, as well as our other programs, we expose our members to thoughtful leaders who help to inspire and motivate them and other community leaders. Eye Openers indeed.

Accounting for Changes

For this edition of *Connections*, we asked our members in the accounting profession to tell us what they see as the top issues for the coming year.



Nelson Couto, a partner with **Couto, DeFranco and Magone**, who serves on the NRBP Board, stressed delivering measurable value to existing customers. "Frivolous spending has ended.

Smart planning has again moved to the top of the list for many companies," he noted. "In an up market people are less concerned about a solid financial foundation since excess cash seems to lessen their worries, but in a down market, people seem to focus their attention on getting their plan on more solid footing."



Ira Cohen, CPA, a partner at **Eisner & Lubin LLP**, advises his clients to "focus on maintaining as lean a cost structure as possible, making sure you are the lowest cost producer in your

market, while giving you the most flexibility in pricing sales and/or services. Keep a very close eye on accounts

receivable and try to hold clients to payment terms with follow-up calls." Mr. Couto concurs, "Business owners can't control everything but they can control how they operate and we see them getting back to basics."

Mr. Cohen sees communication as key in this market. In addition to suggesting that clients ask their customers what they are doing right and not so right, he recommends "keeping lenders in the loop because the better they know the company the easier it will be to increase lines, loans and other financing that will be needed in the future." Finally, he suggests that firms "reassure their best people, be honest with them, and let them know what they can do to help the firm. You will need them when business turns around."



Harold Sobel, CPA at **Sobel & Co.** offers similar advice. "Be proactive with your bankers. Talk to them up front. Educate them on your business conditions and your plans and encourage the banks to play a role as part of your advisory team," he commented.

Both Mr. Cohen and Mr. Couto see new opportunity in wealth management.

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DEPARTMENT OF LABOR
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Welcome New Members

Companies, organizations and individuals join NRBP for a host of good reasons – business development, peer-to-peer networking, business information, community interaction and public policy advocacy among them. The following are new members since the last issue. Please give serious consideration to using a member company for products and services that you require. To see the entire membership directory, please go to www.newarkrbp.org.

BCT Partners, LLC
COMPUTER CONSULTANTS
Dr. Randal D. Pinkett
Newark, NJ
www.bctpartners.com

Broadview Networks
COMMUNICATIONS
Ryan Hicks
Newark, NJ
www.broadviewnet.com

Cablevision
COMMUNICATIONS/TELECOM
Eileen Cassano
Hoboken, NJ
www.cablevision.com

Community Blood Services
NON-PROFIT
Vernon F. Reed, Jr.
Oradell, NJ
www.cbsblood.org

Interglobe Communications
COMMUNICATIONS/TELECOM
Brian Moore
Staten Island, NY
www.nyigc.com

Metro Corporate Interiors
OFFICE FURNITURE
William Haberthur
Newark, NJ
www.metrocorpinc.com

Newark Community Foundation
NON-PROFIT
Tia Graham
Newark, NJ
www.cfnj.org

The Charles Group, Inc.
EVENT PLANNER
Lisa Kelly
Fairfield, NJ
www.thecharlesgroupinc.com

Valley Crest Landscape Maintenance
LANDSCAPE
Shannon Sked
Newark, NJ
www.valleycrest.com

Westfield Concession Management, Inc.
RETAIL
Brianna Comber
Newark, NJ
www.westfield.com

West Ward Collective, Inc.
NON-PROFIT
Darlene Reynolds
Newark, NJ
www.westwardcollective.com

For membership details, please contact
Lorraine Gretchen, Membership Services
Coordinator at (973) 242-4228.

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Changes *(continued from page 1)*

Mr. Cohen noted that his firm expanded its family wealth services practice. He observes, “The family business may be the source of a family’s wealth, but the business of the family is the preservation of that wealth. As trusted financial advisors to high net worth individuals and families, we work in conjunction with their investment advisors and legal counsel to provide seamless and integrated tax, financial planning, and administrative services. We view this family office function as a key growth factor in our practice.” Mr. Couto noted that the wealth management side of his practice has expanded significantly since people are “looking more to comprehensive solutions and guidance, and we are prepared to provide the necessary full service perspective.”

Mr. Sobel stated that his clients will be seeking additional “tax planning and strategic tax advice including income tax and estate tax planning.” He sees this as more important now than ever because of the uncertainty of the New Jersey political scene and the fact that clients are equally as concerned by the uncertainty regarding taxes at the federal level.

Mr. Couto sees growth from “the international side of our practice, primarily because of President Obama’s new initiatives in the international tax area. This year we also made a significant investment in technology, an investment that we normally would have benched for a better year, in order to better deliver value-based services at a value based prices.”

What is the biggest challenge as 2010 begins? Mr. Sobel states, “The availability of bank credit seems to be the most critical challenge right now and we expect it will remain as the biggest issue going forward for at least the first half of 2010. Clients are also concerned about what the banks will be doing regarding renewing lines of credit as well as about what banks will want/accept as collateral against such credit.”

Mr. Cohen indicated that his firm will have an even sharper focus on client attraction and retention in the coming year. Mr. Couto concludes, “Looking forward, business owners want ideas for 2009-2010 survival and 2010-2011 growth.”

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Preparing For a Department of Labor Audit By John R. Vreeland, Counsel, Genova, Burns & Vernioia

Employers should expect the U.S. Department of Labor (DOL) to be more aggressive in enforcement matters. The DOL hired 250 additional investigators this year — increasing the staff in its Wage and Hour Division by more than a third. Earlier this year, U.S. Secretary of Labor Hilda Solis warned employers that “the Department of Labor will not hesitate to take action to ensure workers receive the compensation they have worked hard for and earned.” Protecting workers may not be the only interest motivating increased enforcement. Revenue-strapped government agencies also have an interest in ensuring that appropriate taxes and contributions are being paid for all employees’ hours of labor. Given this, employers should operate under the assumption that their payroll records could become subject to a DOL audit.

Q. What causes the USDOL to seek to audit a company’s payroll records?

A. Typically, the DOL audit is the result of a complaint from a current or former disgruntled employee. These complaints are very easy to file and cost the employee nothing. Worse yet, they can be filed anonymously.

Q. What does the auditor typically look for?

A. First and foremost, the DOL is looking for unpaid wages, usually unpaid overtime. The auditor may also look to see if the employer has misclassified some of its workers as independent contractors. Record keeping violations are another DOL favorite and many assessments include violations for missing or incomplete payroll records.

Q. How far can the DOL go back?

A. The DOL can assess an employer for violations found during the prior two years. Where the employer has exhibited bad faith, the DOL can go back three years.

Q. What constitutes “bad faith” for the purpose of determining how far the DOL will go back?

A. The DOL will find bad faith where the employer either had knowledge of the law’s requirements or acted in reckless disregard of the law. One factor that the DOL will look upon favorably is whether the employer had its policies reviewed by legal counsel.

Q. Do I need to provide records for independent contractors?

A. Yes. In fact, the DOL will likely zero in on these individuals as employers often seek to save money by classifying employees as independent contractors. An improperly classified employee could result in liability for unpaid overtime and unemployment insurance contributions, as well as possible criminal charges.

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Member NEWS

Gateway Group One was named on the Inc. 5000 list of the fastest-growing private companies in America. With this accomplishment, Gateway Group One joins the rarified company of enterprises that have appeared on the list, many of which have grown to become national icons.

Habitat for Humanity Newark (HFHN) announced that James M. Corbett, a practicing attorney and former real estate executive, will serve as project manager dealing with land acquisition, zoning law, government approvals, financial planning, design and construction, and affordable housing.

Hopkins, Sampson and Brown Real Estate Advisory Services, LLC announced that Randee Stolar has joined the firm as a vice president and sales associate.

KS Engineers, P.C. (KSE) announced the addition of Rich Smith as vice president of construction management services for buildings and facilities. Mr. Smith has 27 years of experience managing construction and design divisions, business development and marketing, real estate development, and projects ranging up to \$250 million.

KS Engineers, P.C. (KSE) announced that several of their design and construction professionals have received LEED accreditation. Congratulations to the following individuals: Robert Busek, P.E., LEED AP, vice president & chief structural engineer; W. Carroll Gordon, C.L.A., R.L.A., P.P. ASLA, LEED AP, director of landscape architecture; Gregory Anfuso, P.E., P.P., LEED AP, senior civil engineer; Mizanur Choudhury, P.E., LEED AP, civil/lighting engineer; Lawrence Kern, P.E., LEED AP, civil engineer; Sean Marzolf, P.E., LEED AP, civil engineer; Vinod Handa, LEED AP, construction manager; Robert Sprau, LEED AP, construction manager.

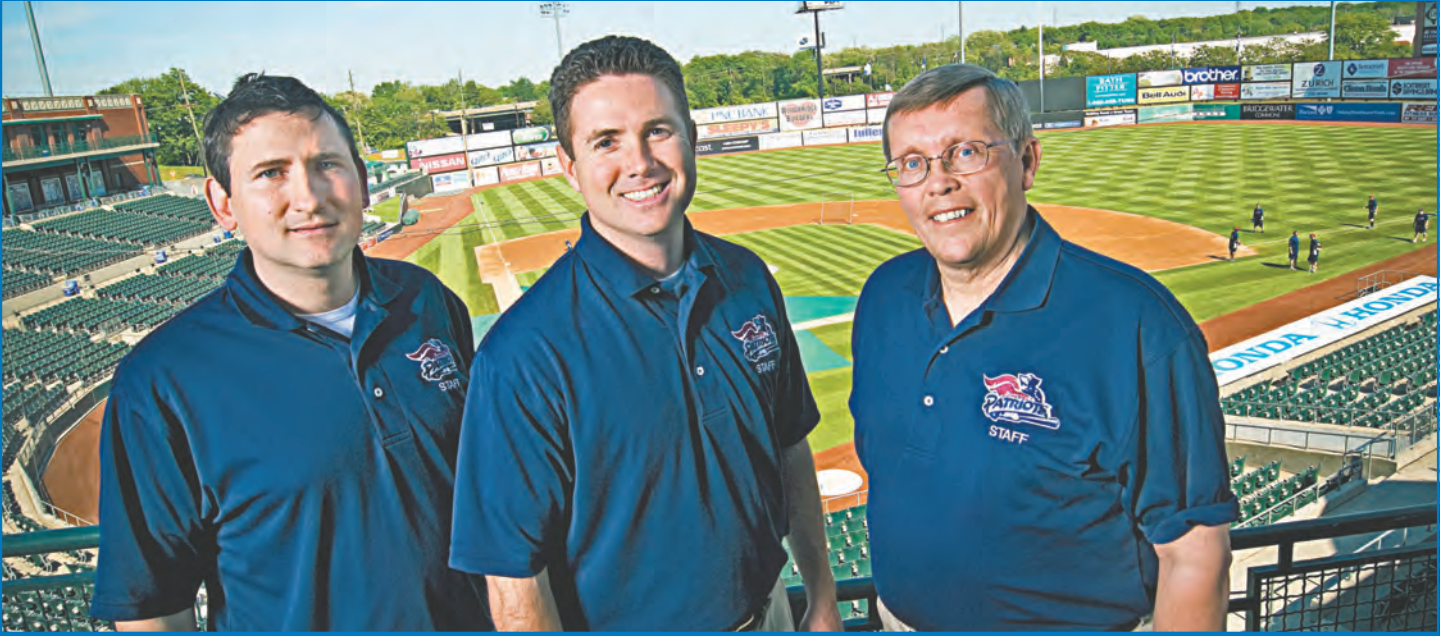
Pennoni Associates is pleased to announce that it has been recognized by The Zweig Letter as one of the 200 fastest-growing architecture, engineering and construction consulting firms in North America. This year, Pennoni ranks as #90. The “Hot Firm 2009” list is based on a weighted average of each firm’s dollar growth and percentage growth from 2005 to 2008. This honor marks Pennoni’s third consecutive year as a “Hot Firm”.

Skanska USA Building Inc. announced the promotion of Tom Crane to chief human resources and communications officer.

J. Thomas Glerum, a commercial real estate professional with more than 30 years of experience, has joined **Studley** as a senior managing director. Before joining Studley, Mr. Glerum was a senior director for 14 years at Cushman & Wakefield, where he specialized in corporate leasing.

To submit your organization’s member news, please send an email to msteinberg@newarkrbp.org

BUSINESS OWNERS ON HEALTH



Horizon Blue Cross Blue Shield of New Jersey interviews the Somerset Patriots. (l-r): Dave Marek, SVP of Marketing and Sales; Patrick McVerry, President & General Manager; Ron Schultz, Controller.

Q: Have you had Horizon for a long time?

PM: No, actually we switched last August. Because when people think insurance they think Horizon. We made sure that it was affordable of course. But what we've really noticed is the customer service is head and shoulders above anyone else.

Q: As your company's main healthcare decision-maker, what do you look for?

RS: There has to be a good balance between cost and what is provided to employees, since they're our most important asset. When I saw Horizon's packages they were wonderful. Our owner gave us a cap, and Horizon was able to fit that and provide a good program.

Q: You have switched insurers over the years, and how do you feel about having Horizon?

DM: I was always hoping we would switch over our insurance to Horizon. They're a good, strong company. And have a sincere passion for their brand.

Q: What do you think of Horizon as an organization?

DM: They are great people to work with and they are a strong supporter of the community.

PM: You always see Horizon partnering up with these really worthwhile causes.

Q: Is it important to you that Horizon is from New Jersey?

DM: I am very happy that we have a plan that is from New Jersey. Keep the people here, keep the effort here, keep the product here.

“What we've really noticed is the customer service is head and shoulders above anyone else.”

For businesses across the state, Horizon Blue Cross Blue Shield of New Jersey is the plan of choice. To find out more, call your broker or visit www.MakingHealthcareWork.com.

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NRBP Connections Success Corner

Beginning with this issue, this column will be a regular feature in NRBP Connections newsletter. For our first column, several members submitted the following stories about their NRBP Connections successes:

During the introduction portion of a NRBP Let's Do Lunch event, I introduced myself and my company. Directly after, I was approached by Newark Downtown District with requests for branded merchandise. I was able to service them with a variety of products at better pricing and service than their former source. The transaction was smooth, and they were a pleasure to do business with...Thanks to NRBP!

Dawn Castro, Account Executive, All-Ways Advertising Company

The YMCA of Newark sponsored a NRBP Let's Do Lunch about five years ago. Through that opportunity we established a great relationship. We have been partners ever since. They purchase their supplies through us while we have supported their programs throughout the years. It is a win-win situation. What could be better? All because of NRBP!

Mark Schoenberg, Vice President-Furniture Division, My NJ Office

After meeting Paul Gourhan through NRBP, Paul and his delightful staff at PMW Workshop, especially Ms. Tina, have gone beyond my expectations. They listen to me and implement my ideas to the tee. I have been brought into the new age of technology through their forward thinking. If I need a short turnaround time believe you me it is done. It is my great pleasure to endorse this company to all our of members and beyond, as they get the job done and it is done well.

Marjorie Perry, President, MZM Construction and Management

**Do you have a story to share about a connection you made because of NRBP?
If so, please contact Barbara E. Kauffman at (973) 242-4219 or bkauffman@newarkrbp.org.**

CALENDAR OF EVENTS

DECEMBER 2009

- December 1** Newark Insiders Forum: "Unleashing the Potential of Higher Education in Newark"
- December 9** Annual Meeting & Holiday Reception
- December 30** New Jersey Devils vs. Pittsburgh Penguins (NRBP Tickets Discount Offer)

Please visit www.newarkrbp.org for 2010 Events Posted Soon.

For more information or to register for NRBP's events, please visit www.newarkrbp.org. Credit cards accepted.

****Event Date and Topic Subject to Change****

If you are interested in sponsoring an event in 2010, please call Barbara E. Kauffman at (973) 242-4219.

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