



December 2009

Our Business' Perspective on the State of Our Local Economy

On October 28th, the River Heights Chamber of Commerce hosted a Coffee with Your Legislators Listening Session at Waterous Company in South St. Paul. This session was an opportunity for our local business members to share their successes and challenges first hand with legislators in their district before they enter into the 2010 session. Business owners and representatives from various industries attended to discuss topics such as employment, real estate, energy and taxes. Attendees were asked to share their experience on these various issues that are strongly impacting their business; and the legislators came prepared to listen. The discussion was facilitated to ensure all business people in attendance were heard.

Issues:

Employment – 1. Employee COBRA Insurance forms for laid-off workers are lengthy and over-whelming for both the employee and employer. Employers, such as Waterous Company, expressed the importance for simplicity and streamlining the forms, and process and procedures, to make it as smooth as possible. 2. Businesses expressed their concerns with, and opposition to, the Paid Sick Leave Mandate being discussed at the Capitol. Employers asked that paid sick leave be left up to the individual company to determine what is most appropriate to the employee and employer, or employer and Union Company. Businesses do not want to designate specific “sick” time, as many businesses have Personal Time Off “PTO” for their employees to use their time as needed. 3. In addition, Health Insurance Benefits were also discussed by the businesses. Rising health care costs of 10-30 percent a year is making it more difficult for businesses to cover health insurance plans. Employers would like more choice in their plans. Many of the local employers said that they pay 70-90 percent of their employees’ health insurance plans, however it is very difficult to pay for the outrageous increases if one employee has a bad illness or medical condition that spikes the whole company’s rate plan.

Real Estate- ReMax Specialist Kevin Kraus stated that residential home prices are way down, the number of sales is increasing, however there are not many sales above \$200,000 in South St. Paul. Foreclosures are still strong and so are short sales (where seller owes more on their home than what it is worth), which makes it a struggle for people who want/need to sell their home. Consumers are dealing with this fact and need to know that it will take years to get the market back up. The tax credit for first time home buyers has been a huge benefit for buyers and realtors would like to see that tax credit opened up to everyone in the entire country. Dave Langer with Langer Real

Estate Services addressed the need for less government involvement in the commercial market to help cut down the process time. "There are a lot of lenders out there trying to work out loans," Langer added.

Energy- Meghan McDaniel with Flint Hills Resources noted that despite the challenging economy Flint Hills has added to its 900 person workforce. Concerns were raised about how various policies could affect the industry's health and lead to higher fuel prices for consumers and businesses, including a proposed Low Carbon Fuel Standard and the current federal cap and trade bill, which disproportionately affects the Midwest."

Investments- Investment companies such as Steve Doody with Edward Jones, stated that investments have been conservative and they believe the recession is slowly going away. The unemployment rate is decelerating and we should let the market fix itself.

Taxes- The consensus was unanimous that people can't afford an increase in taxes if they are not getting an increase in their wages. People can't afford more expenses with no cost of living increases. Businesses do not want a hidden new energy tax.

Thank you to our legislators Senator James Metzen and Representatives Joe Atkins, Karla Bigham and Rick Hansen for attending, listening and giving your insight on our local business' issues.

For more details on the River Heights Chamber of Commerce, call us at 651.451.2266 or log on to www.riverheights.com.

###