

Minutes of the 57th Bi-Annual Fall Meeting, Minneapolis, MN

Meeting Held on Friday, October 9, 2009

Tour of member Steve Demotts facility, Arrow Cryogenics in the morning and 3M facility in the afternoon – Thursday, October 8, 2009

Meeting Location: The Northland Inn, Brooklyn Park, MN

Chairman, Jack Williams called the 57th Bi-Annual meeting of the Mass Finishing Job Shops Association to order at 8:51 am. He thanks everyone for coming.

Introduction of Members:

There were 10 members in attendance representing 7 companies. Steve Demotts of Arrow Cryogenics made a motion to waive the introduction session. Motion was seconded by Mike Crotty of KVF Quad and the motion was carried by those in attendance.

Minutes from the 56th Bi-Annual Meeting in San Antonio, TX:

Mike Crotty of KVF Quad made a motion to accept the minutes as presented. Motion was seconded by Steve Demotts of Arrow Cryogenics, and the motion was carried by all in attendance.

Financial Report Presentation:

Our Financial Report was presented by Mike Crotty of KVF Quad Corp. Mike reviewed our financial situation, making note that \$ 2915.64 was for San Antonio, TX meeting and payment to Terry and Melody. \$350 credits are late dues from members. \$1000.00 was the cost for The Northland Inn for this meeting. And at this time, it looks like we are carrying \$3,888.54 into the New Year. Based on what we have now, Mike proposes to pay Terry and Melody. Terry says he would turn his payment over to MFJSA. Terry does propose that we pay Melody, but to keep his pay for the good of the Association. A motion was made by Melissa Kowal of BCS Company, Inc. to accept the financial report as presented, and pay Melody, with note that Terry is forgoing his payment as Executive Director. Motion seconded by Robert Berkland of Dougco. All in attendance voted in favor, motion carried.

Officers and Committee Chairs:

Officers for 2009 are as follows;

- Executive Director – Terry Larson, Apex Metal Finishing
- Chairman – Jack Williams, Washington Mills Ceramics Corp.
- Co-Chairman – Steve Demotts, Arrow Cryogenics
- Treasurer – Mike Crotty, KVF Quad Corp.

Committee Reports

Membership Update:

Terry Larson reports from calling all the members, that Gary Brandt's son is getting married this weekend, that is why he the Brandt's are not in attendance. Jeff Georger wanted to come but could not make it. Ron from Delong could not attend. Solomon Naman is recently married and could not attend. Terry reports that he was unable to contact Art French. Melissa said she would try to get Arts updated

information for Terry for future contact with Art. No new members have shown interest at this time. There was a brief discussion about reviving a committee to recruit new members. Melissa suggests taking the Lions approach to new members, by inviting a potential new member to attend our next meeting. The group discussed a potential flyer as an option for recruitment, the flyer would be geared towards a target audience, not like a general advertisements for the organization. Jack Williams volunteered to put an ad together and pick up the expenses for sending it out to target companies. Terry suggests that if we have any ideas of potential companies to target, please send the names and addresses on to Jack Williams. Deadline set for forwarding information to Jack is December 1, 2009. Jack wants to get this project completed by January 1, 2010 so we can send out the flyers in time to invite potential interested parties to our spring 2010 meeting. Terry said he will email everyone a reminder.

Terry goes on to report that in talking with Gary Brandt, that Chris is no longer running the shop; she has gone back to school to get a degree to become a medical assistant. Business was slow in the summer but is picking up now. Our best wishes to Chris on her new career path.

Website Update:

Terry reports that Rick Seeman told him that the website is updated and all is well. Terry wants an updated photo for the first page of our website of all our members in front of a plant, or another location. Members agree to work on this. Terry goes on to report what Rick has found in his latest Google search of Keywords to see if our web site or members websites are showing up when these Keywords are entered. Terry provided the following run down;

- Vibratory Finishing – No hits of MFJSA or members in Top 10
- Mass Finishing – MFJSA was #9
- Deburring – Finishing Associates was #9
- Ball Burnishing – No hits of MFJSA or members in Top 10
- Parts Cleaning - No hits of MFJSA or members in Top 10
- Thermal Deburring – Arrow Cryogenics is #1 and Metal Prep is #5
- Deflashing - No hits of MFJSA or members in Top 10
- Metal Finishing - No hits of MFJSA or members in Top 10

A lengthy discussion took place relative to the website. Keywords were discussed as related to ranking on the web. Terry comments that Rick is doing a very nice job, and if anyone has any photos to please forward them to Rick who will put them onto our website.

Member Panel Discussion: Business and Economic Conditions

Bob Veeley – BCS Company, Inc.

Bob reports that business is okay. People do not seem to be able to get the money for purchases now. His belief is that next year will pick up and customers will most likely be trying to go more automated. Bob predicts this just may be a jobless recovery, as businesses get busier, they will be reluctant to hire on more employees and will look for ways to automate to save on the expenses related to employees.

Melissa Kowal – BCS Company, Inc.

Melissa expresses the same sentiment as Bob and does hope for a quick recovery in New England even though all signs appear to be pointing towards a very slow uphill climb for all of us in this industry, no matter where we are located.

Jan Holland – Washington Mills Ceramics Corp.

Jan thinks that there is a light at the end of the tunnel. The lab at Washington Mills has been inundated with new samples (3 to 4 per day) and he is optimistic that this is a turn in the right direction. Washington Mills is now seeing parts from foundries, aerospace, medical, and fine blanking operations.

Terry Larson – Apex Metal Finishing

Terry reports that Apex is holding their own, they are off about 20-22% from the previous year, but there has been some positive jobs coming in the last 2 months. There has been a big surge in buckles lately. Terry's stamper reports that material is 8 weeks out so when they do finally get material for a job, parts become a HOT rush.

Sean Larson – Apex Metal Finishing

Sean reports this do appear to be picking up in St. Louis. Automotive even appears to be picking up slightly. Cash flow is tough in this new economic climate, as it is for everyone right now.

Stephen Liff – Fortune Metal Finishing

Stephen reports that Fortune is doing okay. There is little pockets here and there that are doing quite well. Sales seem steady in all areas of his business relative to what they have left for business. Stephen agrees with Bob Veeley that business will be in fits and starts and people will be looking at outsourcing more now than ever before. He is planning on preparing for the potential increase by perhaps adding on a salesperson for just selling job shop services. He wants to focus on job shop since the consumables market is increasingly more difficult to compete in – with customers wanting to know your lowest price on equipment and supplies. Stephen believes he has a good strategy for improvement.

Mike Crotty – KVF Quad Corp.

Mike reports that he is running 3 sifts. Recently he lost a large die caster that just closed its doors, no warning. Mike has moved people to different areas to accommodate the change. Washing and powder coating seem to be doing well. John Deere is positive moving forward there is more opportunity to work at a Deere owned facility to take over several processes for Deere in multiple facilities. Things are going good overall for KVF Quad. Equipment wise, Almco and Rosler is really down, Mike reports that he hasn't sold a new vibe so far this year. In Empire blast equipment he has sold 6 or 7 new cabinets in the last few weeks. He reports that Empire is offering more favorable discounts with this economy. Each month at KVF Quad presents a different challenge. 45 - 50 people are working in the shop now. They are putting on 12,000 more square feet; the addition is for a new blast unit. This new Rosler unit is a 4' wide pass through with conveyors.

Bob Berkland – Dougco

Bob reports there is some improvement in the 3rd quarter, they are seeing more rush orders than in the 1st and 2nd quarters from die casters mostly. He believes this is a light at the end of the tunnel indicator. Bob is gauging the pick up on his quote system; they put all quotes into a binder and this year's binder is about an inch thicker than last year's so far. They have picked up a local customer with 27" x 12" x 12" pieces of aluminum that the customer wants "deburred", but actually they want a milky white finish that Dougco achieves by a vibe process. This is becoming a good customer for Dougco. Bob reports that the robot is currently unemployed, but is still not a drain on their health insurance.

Before Steve Demotts speaks, Chairman Jack Williams thanks Steve for his hospitality yesterday. It was a great tour and we enjoyed lunch at his facility. Everyone joined in with thanks for a great tour.

Steve Demotts – **Arrow Cryogenics**

Steve reports a 48% increase in health insurance costs this year. Their notice arrived just a few days ago. He still does not know how he is going to handle this increase. Sales are a little down from last year, but he is hopeful the new anodize line will pick those numbers up soon. Steve agrees with Bob Veeley and Stephen Liff that we are in a good position to benefit from companies getting busier but not wanting to hire on more employees. Steve's comments sparked a discussion on insurance issues. And Steve closed on a positive note, saying that he believes sales in equipment will go up and job shop business will improve steadily.

Jack Williams – **Washington Mills Ceramics Corp.**

Jack reports that Washington Mills is benefitting from a competitor going out of business. Business has picked up to where it was at this time last year. Companies in the tool industry are sending in more parts for testing at the Wisconsin plants lab. Jack expresses cautious optimism in the Auto and Aircraft industries. The Washington Mills website has added German and Spanish as options to help break into new markets. The Mexican market is growing. Jack reports that they are actively participating in more areas of manufacturing than they were in the previous year, and he proudly reports that they have reclaimed a lot of business that had been lost in the past.

Jack takes us into a break at 10:17am.

10:25am

Presentation: Seacole

Meeting resumes with John Jesmok of Seacole (formerly C & H) – a provider of chemicals for mass finishing, parts washing and conveyor washing systems. They specialize in heavy duty industrial cleaning and vibratory applications. Seacole sells through distribution and they contract blend and private label as well. They make both powdered and liquid chemistries and will blend something specific to your needs. They have some high temp cleaners that work very well, as reported by Steve and Terry who both use their products. They also manufacture Iron Phosphitizing products and products that are Chromium and Phosphate free, and pre-treat chemistries for powder coating.

Quality One Program:

Terry reports that he made changes from the last meeting per discussions on the Quality One Program. And passes out a definition of the MFJSA Certified QP1 Program to all members present at the meeting. The members reviewed the changes and the definition. Terry proposed that we make an effort within our organization to make it a point that all members – even if they currently hold the previous Quality One status – that they (re)apply to the board and go for the new Quality One status. Melissa Kowal made a motion to accept the proposed procedure and adopt it as the MFJSA QP1 Program going forward. Steve Demotts seconded the motion. The motion carried in a unanimous vote.

Product Pricing or Value Added Discussion:

The discussion began with price increases from suppliers and our price decreases to customers. Steve Demotts reports that he is taking on more hand deburring for which he is charging time plus materials for that work. With the hand deburring he is always looking for ways to improve the process through fixturing, equipment and whatever methods are possible.

Terry Larsen reports that he has purchased a flatbed truck and is now doing pick up's and deliveries as a value added service that he did not offer before. Both Steve and Terry feel that their true value added is their quick turnaround times. Terry Larsen goes on to report that overall his shop rates are determined as they always have been in the past, but now he takes into account man power as well.

Mike Crotty adds value to his customers by doing profiles on specific areas of his business in order to educate the customer on his capabilities. In these profiles he includes certifications, photos, cleaning specs as well as all steps in the process. Mike provided a copy of a profile that he made up to give to customers of his Powder Coat / Paint line.

Break for Lunch in the America's Harvest Restaurant – in hotel atrium.

JSA Metalline, Mike Lindemann and Jeff Smith "Metal Finishing Products for Today's Industry"

JSA's main focus is the plating industry, looking at specialty niche products / product lines to fill the void that larger manufacturers do not provide. Metalline Chemical Corp – MC2, is a specialty chemical off shoot of JSA. It is a niche chemical blending operation, its goal is to research and develop environmentally friendly alternative chemistries. They have a full service lab and development program. Metalline manufactures over 100 different cleaners for metal finishing. Cleaners are available as; liquid or powders, emulsifying or oil splitting, acidic or alkaline or neutral, and single component or two components.

An example of a unique product offered by JSA/MC2: Metalline Aquapolish® an environmentally friendly alternative for brightening copper and brass. Aquapolish® is being used in the electronics industry, torch tip manufacturing, plumbing industry and medical components to brighten/polish/remove burrs and adjust tolerances (in a controlled way).

Metalline also carries some very good products for use with all metals (water based products) for rust inhibition.

Parts Round Table Discussion:

There are no parts to discuss at this meeting.

Director's Corner:

Miscellaneous Business – Terry Larsen from Apex Metal Finishing is looking for used steel media about 6000 lbs; anything in a ¼" size is most desirable. If anyone has any media this size that they want to get rid of, please contact Terry.

Future Meetings – Location of Spring Meeting for 2010; one suggestion was California; one was Hilton Head, and one for Arizona. Discussion took place of all options. A motion was made by Jan Holland of Washington Mills Ceramics Corp to hold the Spring 2010 meeting in Northern California / Napa Valley Region. Mike Crotty of KVF Quad seconded the motion. The motion was passed.

Location of Fall Meeting for 2010; group discussion took place and it was put forth for Coastal Region of New England. Steve Demotts of Arrow Cryogenics made a motion that we hold the Fall 2010 meeting at (a location to be determined) Coastal Region of New England. Stephen Liff of Fortune Metal Finishing seconded the motion. The motion passed.

Round Table Discussion on “How we advertise”:

Skipped this, it was covered during the panel discussions.

Jan Holland of Washington Mills Ceramic Corp. made a motion to adjourn the meeting. Steve Demotts of Arrow Cryogenics seconded the motion. The motion carried. Meeting adjourned.

Minutes submitted for approval on 11/30/09
Melissa L. Kowal, BCS Company, Inc.