

## North East Business Association

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### NEBA News

#### Editors:

**Maureen Thompson**- Media Options

**Nancy Burns**- Leon County Sheriff's Office

The North East Business Association publishes NEBA News bi-monthly. Articles of interest are welcome. Publication of submitted materials is subject to review and space available. Article deadline is the 1st day of the month of publication.

Send articles, letters, photos or suggestions to: NEBA News at the following email addresses: burnsn@mail.co.leon.fl.us or maureen@mediaoptionsinc.com. or FAX-850-893-4097

For additional information phone Maureen Thompson at 850-668-0948 or Nancy Burns at 850-922-3331

## President's Corner

### From Maureen Thompson:

Maybe it's the fact that the Legislature is in session, but more and more frequently lately I seem to be saying to myself, "see what happens if you're not paying attention?!" From legislation designed to give elected officials the right to "taxation without representation," to the City tacking on increases in my already-over-\$300 per month utility bill, I am constantly amazed at what our elected officials will do to us when we're not watching.

The legislation I refer to is a bill being drafted by the Senate Community Affairs Committee that would make it easier for local officials to raise taxes (see Jim Ashlock's front page analysis.

NEBA's entire Board is naturally appalled at this thought. The citizens of this community have proven that if careful thought, planning and accountability are included in a sales tax increase proposal, we'll support it (think Blueprint 2000 and the School Board's ½ penny tax for school improvements). Given the ability to simply raise taxes on their own, what obligation would commissioners feel to analyze the budget for revenue that might be shifted to cover costs of new initiatives (like indigent healthcare, still on the County Commission's

agenda)? Why not just raise taxes, and slide a few pet projects into that money pit at the same time? Don't let this one slip past you – call your representatives and tell them we don't favor "taxation without representation!"

These issues and more illustrate why membership in NEBA is so vitally important. As business owners, we frequently find ourselves focused so much on the daily grind that we may not pay attention to the votes by our elected officials that directly affect our pocketbooks.

However, your Board remains committed to paying attention – and vocally opposing – those initiatives that we feel will adversely affect the business community. Similarly, we will actively support those plans that make sense, and come with accountability.

We've got some great programs on the agenda for the next few months, and we want to have your feedback on legislative issues. Next year's political season is also heating up, and candidates are already "testing the waters," so don't miss our monthly meetings! NEBA can help you pay attention – and keep informed.

## What Is Risk?

by: **Alan R Null,  
Waddell & Reed  
Financial Advisor**

As I state to many of my clients on a daily basis, "The better you understand the different types of risk and how they come about, the more effectively you can strategize to help manage your overall investment risk."

Risk is a fact of many aspects of life. It is often regarded as a negative, involving the possibility of loss, but it also can offer potential rewards and lead to a more fulfilling life. The key is to understand what risks you face and are willing to take. This applies especially to investment risk, and can take several forms. Following are some common types of investment risk that you should understand as you review your portfolio.

**Market risk.** All investment asset classes fluctuate, going up or down as they are influenced by market or economic factors. Fortunately, however, different asset classes don't usually move in tandem. Therefore, if you diversify across various asset classes, such as stocks, bonds and cash equivalents, you may help ease the impact of a single market's decline on your portfolio.

**Currency risk.** Investors who buy foreign stocks or mutual funds face the possibility that their investment returns may be reduced by a rising U.S. dollar. A declining dollar, on the other hand,

may help increase the value of international holdings. Foreign investments also may be affected by differing economic or political conditions in the respective country.

**Credit risk.** Fixed-income investors face the risk that the company issuing a bond will not be able to pay principal and interest in a timely manner. You can choose "higher-rated" bonds in an effort to help manage this risk, or you can choose a professionally managed mutual fund that invests in various types of bonds, meaning that one default may not impact the fund's overall performance.

**Interest rate risk.** Rising interest rates can affect the stock market, but they particularly impact the bond markets, since the value of existing bonds generally declines when rates rise. Bonds with long maturities are especially vulnerable to this risk. Funds with varied maturities may help offset some risk.

**Industry risk.** Just as the broad market sometimes declines, so do specific sectors within the market. These differing declines are generally due to developments in a particular industry. For example, technology stocks and products were in high demand in the mid- to late-1990s, but then crashed during

the subsequent bear market. Stocks within an industry may move in tandem, so you may want to diversify your portfolio, potentially decreasing adverse affects from the decline of one sector.

As with your daily life, you will face some risk in your investment portfolio and in your long-term investment plan. Talk to your financial advisor about the types of risk, and how to best manage them over time.

Diversification will not ensure a profit or guarantee against a loss in a declining market. Please note that mutual funds will fluctuate in value and an investor can lose money by investing in mutual funds.

### "INFORMED" from front page

The NEBA Board has done about all it can. If contractors and realtors, with their greater influence, cannot defeat this measure or amend it to an acceptable degree, it is going to be adopted into law.

**Stormwater Fees** – The City Commission has raised stormwater fees on commercial properties to pay for both management and pollution control on run-off. This is a done-deal, so anyone affected will have to call the city or await their next tax bill to determine the impact.

Otherwise, NEBA board meetings address program speakers, member concerns, dues and financial expenditures, relations with the Chamber of Commerce and other "house keeping" issues.

# Calendar

NEBA meetings are held on the second Tuesday of each month at Lucy Ho's- 1700 Halstead Blvd. from 1:00 p.m.- 2:00 p.m. Cost is \$9.00 per person

May 10- Cliff Thael-Indigent Health Care

June 14- Lorraine Ausley-Legislative Updates

July 12- Brad Day- New Director of Economic Development Council

## Business Tips

### Does the Small Business Administration offer grants for small business startup?

SBA's limited grant offers are generally designed to expand and enhance an existing small business technical assistance. SBA's grant programs generally support non-profit organizations, intermediary lending institutions and state and local governments in an effort to expand and enhance small business technical and financial assistance. For more information Visit SBA's Grant Resources website at <http://www.sba.gov/expanding/grants.html>

### How do I select a lawyer?

Chances are that you will need legal advice right from the inception of your business. There are many ways a lawyer can help in addition to getting your company set up and properly authorized to conduct business.

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# NEBA News

WWW.NEBAONLINE.ORG

March-April 2005

## Keeping You Informed

by: **Jim Ashlock**  
**NEBA Board Member**

Governmental matters are the primary topic at NEBA board meetings these days, especially those that could impact the businesses of our members. We thought you should be aware of some of the issues we have been discussing. For example:  
**Sales Tax Increase** – Cliff Thael, County Commission chairman, has suggested a half-cent increase in the sales tax to finance uninsured indigent health care. This would replace the Municipal Services Taxing Unit (MSTU) on property taxes currently funding this service. Quick analysis indicates citizens would pay more under the sales tax than they are presently with the MSTU. Nothing has been formally introduced to the commission, but a workshop was held April 12 to hear staff recommendations. The NEBA Board opposes this idea as a negative business impact.  
**State Legislature** – Watch for a bill to be introduced in the Senate that would give county commissions broader authority to raise taxes, probably sales taxes, without voter referendum, to finance growth management. If

filed, it would be referred to the Senate Growth Management Committee. Florida Assn. Of Counties, of which Commissioner Thael is currently president, has taken no position pending review of whatever bill is filed. At this point, the NEBA Board is opposed to any proposal that would give the county commission tax raising authority without voter approval. If such a bill is filed, the NEBA Board will advise our local legislative delegation of its opposition. It is also something Commissioner Thael might be asked about when he appears before NEBA's monthly meeting in May.  
**Growth Management** – Commissioner Thael and City Mayor John Marks are proposing a geographical location of both the city and country growth management departments in Frenchtown. Logic is it would eliminate building permit applicants from having to travel between the current offices in City Hall and on West Tharpe Street. Some are concerned that this is a first move toward consolidation of the departments, which advocates feel would not be a bad idea. Unfortunately, the proposal includes no measures to reduce staff size, procedures, expenses or time-reduction in the permitting process. While the

proposal constitutes little more than rearranging furniture, the NEBA Board is neutral on it.  
**Inclusionary Housing** – The City Commission is moving ahead with an ordinance that would require developers to include up to 10 houses costing in the \$150,000 range among any project involving 50 or more homes. The idea is to expand availability of affordable homes in upscale neighborhoods, rather than in areas with specific affordability needs. The NEBA Board considers this as yet another move by the city to over-regulate private enterprise and expansion of our community's anti-business reputation. NEBA rep's spoke before the city commission in opposition to this move, but commissioners publicly declare they are going to adopt it no matter who opposes it.

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